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ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2166

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REPORT ON FULFILLMENT OF 6-MONTH ECONOMIC PLAN FOR 1981

Sofia RABOTNICHESKO DELO in Bulgarian 27 Jul 81 pp 1-2

[Report by Committee on Integrated Social Information System on results of the fulfillment of integrated plan for the socioeconomic development of the Bulgarian People's Republic during the first half of 1981, 24 July 1981, Sofia: "Fruitful Labor, Stable Pace"]

[Text] Workers in the Bulgarian People's Republic made new economic progress during the first half of 1981 as a result of competition launched on a wide scale in honor of the implementation of the decisions of the Twelfth Congress of the Bulgarian Communist Party.

The plan for the social productivity of labor was fulfilled 108.4 percent, the net output plan 107.3 percent, the aggregate profit plan 20.2 percent.

The plan for the treatment of scientific and technical problems was fulfilled 101.8 percent, and the plan for the adoption of scientific and technical achievements in practice 114.7 percent. Four hundred eighty new and improved technologies were adopted, 419 new and improved products, 138 plans for automated systems.

I. Industry

The industrial production plan was fulfilled 102.6 percent. Its volume amounted to 15,125,000,000 leva, increasing 6.0 percent over the first half of 1980.

Broken down by individual economic complexes and ministries, fulfillment of the plan for output disposed of and for rate of growth of production and social productivity of labor is characterized by the following data:

Ministry	Percent of fulfillment of 6-month plan for sale of commodity production	1st half of 1981 as percent of 1st half of 1980	
		Commodity production turned out	Social productivity of labor
Ministry of Power Supply	103.5	108.1	115.2
Ministry of Chemical Industry	100.1	106.5	108.7

(Continued)

Ministry	Percent of fulfillment of 6-month plan for sale of commodity production	1st half of 1981 as percent of 1st half of 1980	
		Commodity production turned out	Social productivity of labor
Ministry of Machine Building	102.6	107.2	111.6
Ministry of Electronics and Electrical Engineering	100.6	112.3	116.6
Ministry of Light Industry	102.1	105.5	117.4
National Agroindustrial Union	104.1	103.6	111.4
Ministry of Construction and Construction Materials	98.2	107.1	100.9
Ministry of Metallurgy and Mineral Resources	98.4	112.5	104.4
Ministry of Transportation	101.8	104.6	109.9
Ministry of Forests and Forest Industry	103.4	106.7	115.5
Ministry of Internal Trade and Public Services	102.9	109.0	111.6

Production of basic industrial products increased and the national economy was provided with larger quantities of raw materials and consumer goods:

Commodity / Unit of measure	Output produced in 1st half of 1981	1st half of 1981 as percent of 1st half of 1980
Electric power, 000,000 kw	18,622.0	106.3
Coal, 000 tons	15,652.0	102.3
Rolled ferrous metals, 000 tons	1,589.9	105.6
Electrotelphers, 000 each	58.6	102.8
Motor trucks, 000 each	10.3	93.8
Power transformers, 000 each	4.1	108.9
Soda ash (base 98%), 000 tons	721.2	97.8
Nitrogen fertilizers (base 100% including carbamide), 000 tons	380.4	99.6
Synthetic fibers and rayons, 000 tons	51.9	107.6
Paper, 000 tons	168.6	110.6
Paper pulp, 000 tons	89.7	107.9
Cement, 000 tons	2,663.0	103.9

(Continued)

Commodity / Unit of measure	Output produced in 1st half of 1981	1st half of 1981 as percent of 1st half of 1980
Cotton fabrics, 000,000 meters	174.0	102.2
Woolen fabrics, 000,000 meters	18.3	95.6
Silk fabrics, 000,000 meters	17.6	105.2
Shoes (excluding house slippers and rubbers), 000,000 pairs	9.5	103.7
Meat, 000 tons	211.7	100.8
Meat products, 000,000 tons	45.0	106.6
Butter, 000,000 tons	10.7	93.2

The 6-month plan was overfulfilled in respect of the following: coal; automobile tires; softwood and hardwood boards and pieces; cranes; battery-operated trucks; household glassware and porcelainware; cotton, woolen and silk fabrics; knit outer garments and underwear; canned fruits; kashkaval [yellow cheese]; beer; sugar; and many other industrial products.

Contracts for the delivery of goods for the internal market were fulfilled 103.6 percent. Larger quantities of the following were provided: kashkaval, edible vegetable oils, sugar, hothouse tomatoes and cucumbers, sterilized canned vegetables, compotes, coal electromers, radio receivers, cement, asbestos cement tiles, woodwork, household glassware, woolen fabrics, moquette, glazed tiles, knit outer garments and shoes.

Some economic organizations and units of industry did not fulfill their goals for the production and sale of output. The targeted quantities of the following were not produced: meat, dairy products, brynza [a sheep's milk cheese], canned meat and vegetables, baby foods, bakery products, nonalcoholic beverages, kerosene, antifreeze. Not all economic organizations and units receive an even flow of interdepartmental subcontracted deliveries.

The counterplan for domestic services was fulfilled 102.7 percent. The public's increased needs still are not met, especially for metalworking services, radio and television maintenance and repair, dry cleaning, and construction and repair services.

The production cost of output was cut. Above-target savings of 145 million leva were realized--136 million leva from material expenditures alone. All ministries and departments fulfilled plan for production cost and the reduction of material expenditures, but in some of these there were units that incurred overexpenditures. Net output per 100 leva of fixed production assets increased 3.3 percent over the first half of 1980, while aggregate profit per 100 leva of production assets increased 6.9 percent. Labor productivity grew 11.9 percent.

II. Agriculture

During the half-year great pains were taken to create the preconditions for fulfillment of the agricultural production plan. Measures were taken to stimulate the development of winter wheat on communal farms and the acreage planted to it was greater this year than last. For most spring crops the targeted amount of seeded areas was reached. Weed-killer herbicides were applied on a larger scale than in 1980. More than 500,000 tons of chemical fertilizers were delivered.

In a number of agroindustrial complexes and okrugs weaknesses occurred in respect of planting time and crop cultivation (substandard tillage of the soil, improper use of herbicides and permitting weed infestation, inadequate irrigation etc.).

During most of the half-year agrometeorological conditions were favorable, but in scattered regions, especially in Southern Bulgaria, a dry spell seriously affected agricultural crops. This necessitated mobilization of all irrigation resources. The machinery pool, platforms and storage facilities were made ready in good time for the harvesting of wheat and barley.

The number of head of agricultural animals on communal farms and their average productivity are as follows:

Agricultural animals and poultry	1 July 1981	1 July 1981 as percentage of 1 July 1980
Cattle, 000 head	1,446	99.3
including cows, 000 head	487	101.4
Sheep, 000 head	7,687	96.4
Hogs, 000 head	2,809	99.4
Poultry, 000 birds	28,864	108.6

Average productivity of:	1st half of 1981	1st half of 1981 as percentage of 1st half of 1980
Cows, liter	1,493	100.1
Laying hens, eggs per hen	101	99.0

There was a decrease in all basic species of agricultural animals in the following okrugs: Vratsa, Mikhaylovgrad, Pleven, Burgas, Yambol etc.

In comparison with the first half of 1980, 3,500 more tons of cattle and poultry were purchased from all categories of farms, 13.9 million more liters of milk, but 10.8 million fewer eggs.

However, the 6-month plan for the purchase of cattle and poultry, milk and eggs was not fulfilled. In this regard a number of okrugs lagged behind, with nonfulfillment of the plan for all animal products occurring in Burgas, Varna, Vratsa, Veliko Turnovo, Shumen etc.

III. Construction

Construction and installation organizations completed 1,681,000,000 leva worth of construction, or 15.5 percent more than in the first half of 1980. Fixed capital worth 1,505,000,000 leva was put into operation. Some 18,435 housing units were completed and delivered to the population. New kindergartens with 1625 accommodations were put into operation. Capital investment starts amounted to 2,681,000,000 leva.

Broken down by individual economic complexes and ministries, fulfillment of the plan for construction and installation work, for the rate of growth of construction production and the social productivity of labor is characterized by the following data:

Ministry	Percent fulfillment of 6-month construction & installation work	1st half of 1981 as percent of 1st half of 1980	
		Construction & installation work	Social productivity of labor
Ministry of Construction and Construction Materials	102.5	115.1	133.6
Ministry of Transportation	109.2	120.9	151.6
National Agroindustrial Union	104.8	109.8	100.1
Ministry of Power Supply	101.5	124.5	117.8
Capital City People's Council	93.2	116.4	144.3
Ministry of Communications	97.5	102.3	126.8

Fulfillment of the capital investment plan fell behind in the first half. Overall nationwide, 38.4 percent of the funds envisaged for the year were taken down. The plan fulfillment of the following is considerably below the nationwide average: Ministry of Electronics and Electrical Engineering, Ministry of Internal Trade and Public Services and Pleven, Pernik, Kurdzhali, Lovech okrugs etc. Some projects were not provided with the necessary skilled workers, construction materials and preliminary estimation data, and it is mainly for this reason that the targeted schedule for putting fixed capital into operation fell behind.

IV. Transportation and Communications

The volume of freight haulage contracted for by railroads and motor transportation was fulfilled 106.9 percent, and the passenger carriage plan 101.2 percent. As compared with the first half of 1980, passengers carried increased 3.3 percent, the growth in motor transportation being 3.6 percent and that in urban transportation 3.9 percent.

The aggregate profit plan was fulfilled 112.9 percent, the net output plan 104.9 percent, and the plan for the social productivity of labor 105.9 percent. As compared with the corresponding 1980 period, aggregate profit, net output and the social productivity of labor increased respectively 11.8 percent, 9.9 percent and 9.2 percent.

Material expenditures per 100 leva of revenues were cut 2.1 percentage points.

Some technical and economic indicators for the use of transportation facilities improved. The average gross weight of freight cars increased 0.8 percent as compared with the first half of 1980.

Revenues realized from services performed in communications increased 8.4 percent in comparison with the first half of 1980.

The postal system was expanded by 18 PTT [posts, telephones and telegraphs] stations. Some 71,000 new telephone sets were installed.

V. Internal Trade

The plan for total volume of goods turnover was fulfilled 102.1 percent in retail, 102.5 percent in the trade network, and 100.6 percent in public food service. The Central Cooperative Union fulfilled its plan 104.3 percent, the Ministry of Internal Trade and Public Services 101.1 percent. There was also plan overfulfillment in the following economic organizations: Fish and Fish Products SD [expansion unknown; possibly Economic Directorate] 11.4 percent, Automotive Engineering and Auto Service State Economic Trust 6.1 percent etc.

Retail goods turnover in the amount of 5,973,000,000 leva was realized in the first half, which is an increase of 5.2 percent over the corresponding 1980 period.

Sales of certain food and nonfood products as compared with the corresponding 1980 period are:

Products	1st half of 1981 as percent of 1st half of 1980
Meat	106.6
Meat products and canned meats	104.5
Fish and fish products	86.8
Rice	95.4
Edible vegetable oils	97.4
Milk	98.8
Brynza	101.6
Kashkaval	106.2
Butter	102.3
Eggs	103.3

(Continued)

Product	1st half of 1981 as percent of 1st half of 1980
Sugar	108.2
Fresh vegetables	109.4
Fresh fruits	145.4
Canned vegetables--sterilized	85.6
Compotes	87.4
Cotton fabrics	103.2
Woolen fabrics	97.8
Silk fabrics	97.4
Shoes	105.9
Refrigerators, household	112.6
Electric washing machines, household	143.8
Electric cooking stoves	134.5
Vacuum cleaners	110.7

VI. Foreign Economic Relations

Foreign trade increased 1917 percent over the first half of 1980. The increase that was achieved was due mainly to the ever more rapidly growing trade with the USSR and other CEMA-member countries.

Trade increased with the developed nonsocialist countries as well as with the developing countries.

Favorable changes in the export structure continued in the first half of 1981 as well. The volume of goods with a high degree of processing increased more and more.

6474
CSO: 2200/134

SHORTAGE OF GRAIN-STORAGE FACILITIES OUTLINED

Sofia RABOTNICHESKO DELO in Bulgarian 27 Jul 81 p 4

[Article by Vulcho Khristov, adviser in the Council of Ministers: "Safe Cover for Grain! Why Is There Still None, What Are the Consequences, and Where Should the National Agroindustrial Union, the Okrug Agroindustrial Unions, and the Cereals and Feed Industry State Economic Trust Direct Their Efforts?"]

> [Text] In the report to the Twelfth BCP Congress and in the theses adopted by the congress, a speedy increase in the production of grain and the most effective utilization thereof are defined as the main strategic goal of agriculture in the Eighth Five-Year Plan. To achieve an average annual grain production of 10.5-11 million tons, which means providing 1200 kg per capita, all intensive factors (mechanization, use of chemicals, irrigation, productive varieties and hybrids, as well as the new brigade organization) must be fully utilized. The area seeded to cereal and fodder crops will be increased by 2 million decares by using abandoned and drained lands. The National Agroindustrial Union, the okrug agroindustrial unions, the agroindustrial complexes and other agricultural organizations must map out measures to cut grain losses to a minimum during harvesting and storage.

The question of the character and capacity of the storage facility on which the proper preservation of the grain depends has not, however, thus far been decided and remains especially acute. The Cereals and Feed Industry DSO [State Economic Trust], which purchases, stores and processes a great part of the bread and feed grain, has a deficiency in storage capacity of about 2.5 million tons. It has at its disposal only 2.4 million tons of reinforced-concrete elevators and flat storage facilities, equipped with the most elementary mechanization of some of the grain-receiving, cleaning and storage processes. The rest are primitive storage facilities lacking the appropriate equipment. About 500,000 tons of grain are stored on outdoor platforms. The picture is similar in both the agroindustrial complexes and other agricultural organizations.

Given this state of affairs, as calculations show, not less than 10 percent of the grain produced and purchased is lost. In fact, the losses are far higher.

In recent years agricultural organizations have been taking measures to harvest grain in a short time, and much of it straight from the combines. High-power harvesting and transport equipment is making its way into agriculture. The intake equipment and mechanization at storage facilities, however, are of low efficiency This results in a slowing down of the campaign and in great losses from idle time and input of hard physical labor. The building of buffer capacity would permit the temporary intake of grain from the combines and routeing to permanent storage after cleaning and grading. The storage facilities of purchasing organizations and of agroindustrial complexes are equipped with high-efficiency machinery for cleaning grain of foreign matter. The internal conveyor equipment is of low efficiency and below standard. The storage facilities have no instruments for measuring moisture content and temperature, nor do many have contrivances for active ventilation, present which grain dries with minimum expenditure of fuel. Many of these operations and a number of others are performed manually and slowly; the quality of the grain deteriorates—and hence the quality of the flour, bread and mixed feed.

In 1976 the government made available to the Cereals and Feed Industry DSO funds to build a temporary storage facility. A large part of these funds remains unutilized not only because plans for building reinforced-concrete elevators were not provided on time, but also due to the refusal of the construction organizations to undertake such work. For these reasons the purchasing organizations were obliged to build sheds of iron construction, something which is neither long-term nor efficient.

In 1976 machines were bought from the (Lip) Company for the rapid building of metal elevator cells. Use of these, however, has been unwarrantedly delayed. Thus far cells for about 210,000 tons have been built, but only 30,000 tons have been put into operation. And these have many unsolved questions involving metal corrosion and the manufacture of equipment for intake, cleaning, filling, active ventilation etc. The Agrostroy [agricultural construction] organization set up under NAPS [National Agroindustrial Union] is solving these questions sluggishly.

At the same time the results of the experimental large-diameter reinforced-concrete elevator, built at the city of Grudovo, are encouraging for the present. This method of elevator construction is widely used in the Soviet Union. It has a great advantage: industrial techniques are employed, and standardized prefabricated elements are used. What is bad, however, is that the agroindustrial complexes are not allotting sufficient funds to build storage areas since they are regarded as liabilities.

Discussion is still under way on how to store corn. Various methods are being tried out. Attempts to store corn on the cob in metal crates have proved unsuccessful; a great deal of manual labor is expended. The moist corn kernels are stored —in trenches, wrapped up in polyethylene material. If this technique proves successful, it could be applied for the grain that stays in the complexes for the feed of ruminants. In many places, however, corn is stored on the cob in primitive mesh crates, with great losses occurring too.

Clearly, things must no longer continue thus. Resolute measures are necessary. The necessary conclusions must be drawn from foreign and Bulgarian experience. The National Agroindustrial Union must approve a program for new construction during the years of the Eighth Five-Year Plan, making a final determination regarding the type, and the method of building storage areas. The right thing will be to site new storage facilities closer to processing enterprises and stock farms in order to reduce transportation, loading and unloading costs.

Serious thought must be given to the modernization of existing facilities. Intake apparatus must be brought into compatibility with the new grain-harvesting and transport equipment. At storage facilities, high-capacity centers must be built with high-efficiency equipment for cleaning grain and routeing it to further storage.

The question of building modern facilities to receive and store grain is urgent and awaits timely solution. Safe cover will create favorable conditions for the reduction of losses and for the safekeeping and most efficient utilization of a raw material that is linked not only with the people's sustenance, but also with the further development of animal husbandry.

6474
CSO: 2200/135

IMPROVEMENTS IN PLANT, VHJ KHOZRASCHET URGED

Prague SVET HOSPODARSTVI in Czech 30 Jun 81 p 2

/Article by Eng Ladislav Benes: "Improving VHJ and Enterprise Khozraschet"/

/Text/ Improving khozraschet is an inseparable component of the modifications of the planned management system of the national economy in the Seventh Five-Year Plan. It is based on proven khozraschet principles as they have been formed during the building of the socialist economy, and will develop them further. These improvements are also related to the new conditions, characterized by increasing difficulties in both the foreign and domestic economies, and a move toward increasing performance, efficiency, and work quality at every VHJ and enterprise.

The assignment of the VHJ as the fundamental unit of management in the enterprise management sphere is resulting in a need to reformulate and reintroduce VHJ khozraschet, and simultaneously and in connection with this to modify the content and form of enterprise khozraschet as a component of a VHJ. To date two types of khozraschet have been known and defined: enterprise khozraschet, carried out at the level of enterprises as the fundamental management link in the enterprise management sphere, and internal enterprise khozraschet, applied within enterprises, at the level of factories, operations, and workshops, even at the level of work crews. Both of these types of khozraschet have definite content and forms. Recently, khozraschet has arisen in the USSR at the ministry level with a narrowly defined content and several special characteristics.

VHJ khozraschet cannot appear as a simple application of enterprise khozraschet to this higher organizational level. This would cause the VHJ to become some sort of a megaenterprise or sectorial enterprises, and the enterprises, from the viewpoint of khozraschet, would turn into mere factories. Such a practice would not increase the efficiency of khozraschet, but on the contrary would reduce its effectiveness in the enterprise management sphere.

VHJ khozraschet is a new type of khozraschet which, to be sure, stems from the basic elements of enterprise khozraschet, but which in its application to a higher organizational level undergoes changes in content and in form. One reason for these changes in the fact that enterprise khozraschet is retained at the enterprise level even while it must adapt itself to the new position of the enterprise as a constituent of the VHJ, with newly defined responsibilities and authority with regard to the objective necessity for centralizing certain managerial functions.

The objective of the creation of the VHJ as the fundamental element of management is to attain greater management efficiency, and thereby also for khozraschet in the enterprise management sphere through the joint action of enterprise and VHJ khozraschet.

The creation of VHJ khozraschet is the main element in the improvement of khozraschet in the Seventh Five-Year Plan. It is a very difficult and responsible task.

The crucial, classical principle of khozraschet is the coverage of organizational costs through its own outputs, that is, receipts for its products, while achieving a set, planned profit. This principle is being preserved in the improved khozraschet of the Seventh Five-Year Plan, and in addition it is being extended by the request that organizations, and above all the VHJ, cover their planned financial requirements (which describe economic needs expressed in financial terms) to the greatest extent possible by generating their own financial resources.

In order that this modified khozraschet principle could be implemented, the practice of leaving some profits at the disposition of organizations to finance their own needs has become more widespread in financial management. This has been achieved by reducing, in 1981, the tax burdens of organizations by granting reductions in taxes on profits while at the same time lowering, or eliminating entirely, subsidies granted from the state budget to organizations for the financing of their investments. This measure has increased the authority of organizations, and above all of the VHJ, to allocate the greater portion of its profits. At the same time, it has also increased their responsibility to generate profits, and therefore also to provide for economic incentives.

Since the beginning of 1981, the average organization is operating with a profit percentage that has increased from 30 percent to 40 to 45 percent. The magnitude of the increase differs in the organizations of various central agencies, and is differentiated further according to VHJ. In several sectors, however, the above trend has not yet been successfully implemented due to insufficient product profitability. For this reason the effect of khozraschet will be restricted in such organizations.

The above principle of khozraschet, i.e., cover planned needs from the resources you have generated, must be applied consistently in enterprise management. With regard to the critical role of the plan in organization management, the above principle is implemented in such a way that an organization covers its planned requirements in finance and in economic incentives according to the level of actual creation of in-house planned resources. This means that the criterion for covering requirements is not the actual volume of resources generated in a specific organization, but the relationship between requirements and resources established in the financial plan of the organization in relation to its material plans.

The application of the above principle will lead to significant differentiation in the possibilities for financing, and in the financial situation of organizations generally. Well-managed organizations which generate resources, and especially profits, in the planned magnitudes, and even in excess, carry out allocations to their own funds at planned levels or at a level determined by established norms for material incentives; this enables them to cover requirements according to the plan and in excess of it. Nondistributed profits in excess of the plan remain at the disposition of the VHJ and are shifted to its reserve fund. On the other hand, poorly managed organizations which do not generate the planned resources must reduce allocations to their funds, and as a consequence also reduce, in the established manner, the coverage of their planned requirements. This situation would not arise if the VHJ had at its disposal financial resources in a reserve fund which it had accumulated in previous years of good management and which may be used now to cover management shortfalls. The above principle makes possible a balance in the enterprise management sphere between the creation and the use of resources in conjunction with the management efficiency of individual organizations. Absent, ungenerated resources may not even be replaced with bank credit, or through subsidies from either a supervisory central agency or from the state budget.

The application of khozraschet serves to expand the relative independence of an organization, based on an increase in its authority over, and responsibility for, its own management and development. This is provided for by various measures. An organization is managed according to the five-year plan, which defines its requirements and resources, and is the foundation for an evaluation of the performance of organizational management. Organizations cover their planned requirements according to the extent to which they have actually generated the planned resources. Resources created in excess of plan requirements remain with the organization; but the organization may not count on the replacement of shortfalls in its management performance.

The financial relationships of the VHJ, as the fundamental link in management, are simplified both in relation to the state budget and in relation to its supervisory central agency, which reduces the possibilities for operative intervention into VHJ management. Ties to the state budget are limited, as a rule, to tax responsibilities. The relation to the supervisory central agency is restricted basically only to the transfer of capital asset depreciation, or subsidies for investment from depreciation centralized in this manner. Profit is redistributed among VHJs only rarely, so its influence is concentrated fully in the enterprise management sphere. To reinforce its authority and responsibility in management, the VHJ has at its disposition a reserve fund in which all free financial resources are concentrated and which serves to balance deviations in the financial management both of the VHJ and its individual enterprises.

VHJ and enterprise khozraschet is focusing on a broader range of qualitative indicators than previously, in line with the orientation of the economy toward an increase in the efficiency and quality of work. These indicators are becoming components of the plan, and the economic incentives provided by organizations rest on them. We are not, then, merely dealing here with indicators from the area of costs and profits, but with indicators which characterize various aspects of the activities of an organization. These indicators may be divided into three groups. Indicators characterizing the satisfaction of social needs belong in the first group, and are represented by indicators of the structure of demand. In the second group are indicators which express the final contribution of organizations to the national economy, and are represented by labor value added as a specific type of net production. The third group is composed of indicators of efficiency and quality which characterize the overall level of quality of the organizational management (return on production assets or production factors, profit, costs), or of individual factors of production or individual aspects of management (labor productivity, productivity of production assets, machinery, and equipment, inventory turnover time, a differential indicator for exports, price concessions and penalties, losses from poor-quality products, etc.).

The improvement of VHJ and enterprise khozraschet is evident as well in the expansion and intensification of their incentive systems. At the same time these incentive systems are becoming more demanding. Personal economic incentives, consisting of the allocation of wages payable and of work bonuses, is deepening through the division of wages payable into a basic and an incentive component, an expansion of the incentive component to include at least 15 percent of wages payable, the tieing of the development of the basic elements to adjusted labor value added and that of the incentive components to the return on productive assets, and the introduction of additional conditioning indicators characterizing the main material tasks of the economic plan for an organization.

The incentive system in the area of financial management is applied as well through the medium of economic-incentive funds (the fund for cultural and social needs, the development fund, and the fund for material incentives for exports) and the standards for allocations from them. These standards adjust the relationship between the credit due the organization for its managerial performance expressed as the generation of profits and the qualitative indicators, as well as between allocations to the funds and, then, the assurance of the appropriate requirements.

Enterprise incentive systems, representing incentives for worker collectives to stimulate the development of socialist production are undergoing particular expansion in the Seventh Five-Year Plan. New forms of enterprise incentive systems are being introduced.

Enterprise incentive systems are expanding above all in the area of investment financing, where development funds are replacing the funds for small-scale enterprise investments. While the funds for small-scale enterprise investments have been financing only 4 to 5 percent of the volume of investments, development funds are currently financing 30-35 percent of investment volume. And for certain VHJs the percentage amounts to a majority of their total investments.

Enterprise incentive systems are looking differently on the generation of free financial resources which can be at the disposal of the VHJ, both at the level of the VHJ in the form of a reserve fund, and at the enterprise level in the form of undistributed profits carried over from year to year.

Enterprise incentive systems are also involved in inventory development. The constant overfulfillment of the planned level for inventories at the same time that planned inventory turnover time is also being exceeded requires a certain degree of coverage through the transfer of resources from the development fund to the turnover fund. On the other hand, given a long-term reduction in inventories and inventory turnover time in comparison with the previous year, an organization may shift part of its resources from the turnover fund to the development fund.

Insufficient financial resources which result from shortcomings in the arrangement of investments from the construction fund (for instance, the exceeding of budgeted costs) is covered from the development fund. The maximum allowable amount for allocations to the cultural and social needs fund has been raised from 2 percent of the yearly volume of wages payable to 2.4 percent generally and to 2.8 percent for VHJs engaged in exporting.

Increasing the difficulty of incentive systems is based on the fact that these incentives are tied to the fulfillment of various mutually interrelated qualitative indicators, that they stem from the fulfillment of indicators established in the five-year plan and which are cumulative from the start of the five-year plan, that they take account of losses due to low-quality production and that as a rule they include both a stimulative aspect (allocations to funds), and a penalty aspect (reducing allocations to funds).

Once again organizational interest is being stimulated to adopt more rigorous tasks in the annual implementation plans than provided for by the tasks established for individual years of the five-year plan, or in comparison with the reality of last year, both in the area of allocation of wages payable, bonuses for managerial employees, and funds for development and for economic incentives for exports.

The improvement of khozraschet in the Seventh Five-Year Plan represents a significant step forward in the management system of the national economy. At the same time, we are dealing here with a very difficult task whose fulfillment will require substantial effort, above all in everyday managerial work.

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GERMAN DEMOCRATIC REPUBLIC

INDEPENDENCE FROM GRAIN IMPORTS SEEN AS LONG-RANGE GOAL

Politburo Member Felfe Speech

East Berlin NEUE DEUTSCHE BAUERNZEITUNG in German Vol 22 No 27, 3 Jul 81 pp 15-18

/Excerpts from speech by Werner Felfe, member, SED Politburo and secretary, SED Central Committee, to a seminar of leading cadres of agriculture, forestry and the food industry held in Markkleeberg: "Higher Output From Every Field, Every Barn"/

/Text/ Consequent upon the Tenth SED Congress a new segment in the work for the implementation of our party program has begun. This confronts all of us with new and greater challenges. It will therefore be necessary to arrive at the appropriate conclusions for our future labors, the contribution of socialist agriculture, forestry and the food industry to the rise in the output of the national economy in the 1980's, for the greatest possible efficiency and product quality.

In the course of exchanges of experiences we must demonstrate and generalize those creative initiatives and best methods of work, which help us more quickly to advance, better meet the greater challenges of the 1980's and further successfully pursue the proven policy of our party, directed to the welfare of the people, the consolidation of socialism and the security of peace.

The main task in its unity of economic and social policy has demonstrably been a stimulating factor for the people and specially illuminated the benefits of socialism. It is highly significant that the Tenth SED Congress decided purposefully to continue this policy and further to improve the material and cultural standard of living of the people on the basis of the greatest possible speed of advance of socialist output, the improvement of efficiency, scientific-technological progress and the rise in productivity.

At the same time our party takes into account that internal and external conditions have changed very greatly. That concerns the much broadened material-technical base of socialism, the greater socialist consciousness of the working people and also the problems related to the higher prices and shortages of raw materials on the world market. Moreover, as a result of the trend to confrontation by imperialism, the international class conflict has become considerably exacerbated, and we are therefore challenged to greater efforts in our struggle to secure and maintain peace. We fully support the peace program proclaimed by the Twenty-sixth CPSU Congress.

We appreciate the foresight of our party, the magnificent efforts of our general secretary, Comrade Erich Honecker, the Marxist-Leninist analysis and appraisal of internal and external developments, as a result of which a clear strategy was drawn up in good time. This tells us how the stable and successful advance of socialism in the German Democratic Republic may be resolutely pursued even in these new conditions.

It will be vital to gather economic strength in new dimensions by the extensive utilization of the opportunities offered by the scientific-technological revolution and by coupling them with the benefits of socialism. At the same time we will increasingly develop and use our close fraternal cooperation with the USSR and the other CEMA member countries. Without it we could not possibly carry out our economic strategy.

The economic policy elaborated by the Tenth SED Congress represents a great scientific achievement. It answers the question how we may further advance toward the realization of our party program as related to the organization of the developed socialist society and the creation of the basic prerequisites for the gradual transition to communism in accordance with the objective inevitabilities, and how the national economy must be developed at a stable and smooth pace.

At the same time we are aware that our responsibility for the necessary rise in output has increased correspondingly. As Erich Honecker said at the Tenth SED Congress, "to safeguard that which we have achieved in material and cultural respects and indeed multiply it, we need to raise our economic capacity as never before."

This statement has already profoundly permeated the consciousness of the working class, cooperative farmers, intelligentsia and all working people. Though we are a country poor in raw materials, we may claim something exceedingly valuable: The indefatigable creativity of our people, their readiness to serve and their firm will to buttress by their actions the policy of our party, directed to the welafre of the people.

We are also realizing more and more that there is an indivisible link between the consolidation of real socialism and the security of peace. To give the best for socialism also means the best for our people and each individual, because it helps strengthen the GDR as a pillar of socialism and peace in the center of Europe, because it helps our workers and farmers state as a stable factor of socialism at home and abroad always honorably to comply with its internationalist duties as a loyal and reliable ally of the Soviet Union and Lenin's party as well as honorably provide its contribution to the security of peace. That is how it was and will be always.

Our stable and dynamic development is widely esteemed and appreciated by our allies and, at the same time, serves to increase the attraction of real socialism in the world.

With the slogan "the greatest possible increase in output by rising productivity, efficiency and quality--everything for the welfare of the people and peace!" the cooperative farmers and workers in agriculture, forestry and the food industry joined this mass initiative and are once again proving themselves loyal allies of the working class.

Our success is demonstrated also by our agriculture, forestry and food industry. We have further advanced and strengthened socialist production conditions in rural areas while substantially raising productivity. By now modern farming production cooperatives and state farms for crop and animal production have evolved and consolidated, boasting high achievements. In the past five-year plan period, for example, farming recorded the largest output ever and once again proved itself a stable factor in our social development. This successful advance was possible because the material-technical base of agriculture, forestry and the food industry was considerably strengthened and the stock of capital equipment significantly increased.

The successful development in our rural areas was also made possible because we now have an educated, experienced and hard working class of cooperative farmers, because we have workers in socialist farming, who constantly demonstrate new creative initiatives and actions to strengthen socialism and prove themselves reliable allies of the working class.

At the Tenth SED Congress Comrade Erich Honecker emphasized in the Central Committee Report that "socialist production conditions in rural areas are part and parcel of the socialist system." This statement also underlines the status of socialist agriculture, forestry and the food industry in the uniform reproduction process of the GDR national economy. It is a firm element of our economy and, therefore, carries a great deal of responsibility for steadily raising its contribution to the growth of the national income. It thus exerts a crucial influence on the uniform reproduction process and the continuing successful advance of the national economy, the improvement of efficiency and quality.

At the same time the development of agriculture, forestry and the food industry is a total economic task. As you know, at the Tenth SED Congress Comrade Erich Honecker pointed out the constantly growing services of industry to agriculture and indicated that these proceed at an advanced scientific-technological standard. These achievements by the working class already claim a high standard. They relate to a large part of agriculture's material-technical base. Industry thus exerts a fundamental influence on the yield, productivity and efficiency of farming, the development of production conditions and productive forces in rural areas. Here also we see a demonstration of the leading role of the working class.

Science is increasingly responsible for the evolution of farming. The greater challenges of the 1980's, the new conditions which have arisen for our economy as a whole, require the more and more close linkage of the benefits of socialism with the scientific-technological revolution in farming, forestry and the food industry also.

As the Central Committee Report to the Tenth SED Congress reiterates, the safety of food supplies for the public remains the overriding task for agriculture and the food industry in the new five-year plan period also. Agriculture and forestry supply more than half the domestic raw material yield for our economy. In this field also, therefore, it carries a heavy responsibility.

Significant Rise in Output Required

The further pursuit of our well tested line of the main task in its unity of economic and social policy therefore calls for a significant rise in the output of agriculture, forestry and the food industry. Required most of all are higher yields on the fields and improved achievements in the barns. It is our aim significantly to raise the domestic yield of crops for livestock production, so that grain and feed imports may be reduced and eventually eliminated. This increase in our own output is all the more important because foodstuffs have a growing role in the international class conflict between socialism and imperialism.

We must confront these facts with open eyes. Our policy is therefore directed toward getting rid of our still persisting dependence on imports of grain and fodder. This means that we must significantly raise grain production in the GDR and, at the same time, endeavor to achieve the greatest possible conservation of feed. Available scientific findings and the results recorded by well managed crop production LPG's and VEG's /State farms/ show that we will be able to meet these targets by way of further intensification and the utilization of all reserves.

In view of the great political importance of grain our now advanced sense of responsibility calls upon us to handle feed as sparingly as possible. It must be our aim for the crop production LPG's and VEG's completely to supply all high quality feed for livestock production. This will require closer collaboration in the cooperation councils.

Every square meter of land must be cultivated, the highest possible yields achieved. Involved here is the need for the more complete utilization of all available fodder reserves. These include kitchen and slaughterhouse waste just as the utilization of feed to be found in glades and meadows, in ditches and other places. It will be necessary always to appreciate that cooperative workers and farmers carry a great deal of responsibility for the all-round strengthening of our workers and farmers state as well as the consolidation of the status of socialism in the world.

The 10 key points of the economic strategy of the 1980's and the special tasks decided upon by the Tenth SED Congress for the growth of the economic performance of agriculture, forestry and the food industry are the focus of our agrarian policy in the coming years. They are the base for the further intensification of output and the broad development of the initiatives of cooperative farmers and workers in the socialist competition.

Carrying out the party's economic strategy in agriculture, forestry and the food industry means raising the output both with respect to volume and quality, while significantly improving the cost/profit ratio and, consequently, the efficiency of production. Our socialist agriculture, forestry and food industry boasts experienced, politically and technically skilled managers and cadres who possess all the qualifications for coping with such challenging tasks.

Main Approach: Intensification

In socialist agriculture, forestry and the food industry also the main approach to the accomplishment of [illegible] far reaching targets consists in carrying out socialist intensification in order to significantly improve efficiency and product quality, and in overcoming the still persisting differences in yields and output. In this context scientific-technological progress is increasingly the most important reserve for our total output growth. It is therefore imperative to advance even more resolutely with further intensification, especially of crop and livestock production.

Most of all this means to devote even greater attention to the pertinent factors of intensification, the training and further education of the working people, mechanization, chemicalization, soil improvement, breeding, storage and conservation as the main trends of scientific-technological progress in farming country. At the same time it will be necessary significantly to improve the cost/profit ratio.

As regards the training and further education of cooperative farmers and farm workers, we may boast satisfactory results: 89 percent have received and completed training. Among those permanently working in agriculture 8.3 percent are college and technical school cadres, 6.5 percent foremen. This respectable and steadily increasing potential of education and knowledge among cooperative farmers and farm workers must now be converted to efficient action for raising output and improving quality.

We have achieved a high standard with respect to mechanization. For example 100 percent of grain, 96.6 percent of potatoes, 99.3 percent of sugar beet and more than 94 percent of feed are harvested by machine. At the same time it will be necessary as per plan further to perfect the mechanization of all agrobiological, technical and chemical operations. This will require complex and highly developed machinery systems for the crucial operations on the field, in the barn, for transportation and warehousing. These machines and machinery systems, however, must in future be much better serviced and maintained.

To cite another example: Annually some 350 million tons of agricultural goods are transported and many of them transshipped several times. If we succeed in optimalizing these transport and transshipment processes on the basis of scientifically appropriate computations, we will succeed in freeing many mechanizers for the better utilization of field machinery, permit the use of available reserves--especially in feed management--and help improve working conditions by the elimination of heavy manual labor. Most of all we will be able to conserve motor fuel and other types of energy as well as save a great deal of money in dimensions of significance for the national economy.

Better performance by industry and in-enterprise production of rationalization aids in agriculture, forestry and the food industry are required also to close persisting gaps in mechanization, especially those which endanger the observation of agrotechnical schedules.

Concerning chemicalization we need to improve the quality of agrochemical work by a new standard of cooperation involving the division of labor among agrochemical centers on the one hand and crop production LPG's and VEG's on the other. We thereby aim to see that the available fertilizers are deployed to better effect. Of course this effect depends very largely on the correct timetable for fertilization and plant protection measures.

The brigades of agrochemical centers should be even more firmly assigned to LPG's and VEG's. With respect to plant protection efforts we should endeavor for part of these operations to be carried out by the LPG's and VEG's themselves, especially in the case of enterprises handling special crops. All these issue should be decided in accordance with the principle that the utmost in quality of agrochemical work be achieved as well as costs and energy saved.

The land improvement enterprises, especially land improvement cooperatives, must be directed to a far greater extent to maintenance and the operation of the improvement facilities. In 1980 919,000 hectares were irrigated, 15.5 percent of the agricultural area. Sprinkling accounted for 431,000 hectares of the total. Last year 1,543,000 hectares were drained, 26.1 percent of the agricultural area.

As for the ratio of irrigation to drainage, drainage is definitely to the fore. That applies to fields as well as pastures, especially in the northern districts of the GDR. The experiences of the years 1977-1980 have demonstrated that drainage allows us to achieve a higher increase in yields at lower costs. In the field of irrigation we should concentrate on using further favorable opportunities and on greater efficiency in using the existing facilities.

In the case of breeding, one of the main objects of intensification in agriculture, forestry and the food industry, it is imperative--coupled with concentration on key points--as per plan to breed crop and livestock varieties which guarantee a high yield and the best possible performance. We are fully in support of the initiatives of the scientists at the Quedlinburg Institute for Plant Genetics and many others who intend, for example, to breed such vegetable varieties as are suitable for improving supplies of vegetables to the public all year round.

The tasks involved in raising crop production and, especially, feed output, represent the absolute key points for the implementation of the economic strategy for farming in the 1980's. It will be necessary to substantially exceed the planned yields of 43.2-43.7 deciton grain units per hectares of agricultural area in order to achieve our aim of reducing and ultimately eliminating grain imports.

All Care for the Land

The key question involved in raising yields is the most efficient utilization of the land and the improvement of soil fertility. Not only does this mean that no piece of land may lie fallow, that every field must be tilled and every meadow and pasture utilized. It also means making every effort steadily to improve soil fertility. That is one of the greatest reserves to be developed in socialist farming in order to raise yields. It will therefore be necessary further to perfect and consistently carry out the programs drafted by agricultural production cooperatives and state farms.

In the matter of raising soil fertility the organic substance is of central importance. It is not possible anywhere to feed the soil too much organic substance. The reproduction of soil fertility is an unending process which raises ever new demands.

In our conditions solid and liquid manures are the most important sources of organic fertilizer for the land. They must therefore be utilized fully, especially on cultivated fields. In order to avoid adverse effects liquid manure, especially, must always be used in accordance with agrotechnical and agrobiological requirements. It is therefore imperative to provide the appropriate conditions. At the present time we are still suffering large losses of organic substance and organic nutrients by the improper handling of organic manures as well as inadequate storage capacities.

Properly stored manure should once again come to represent a business card for every LPG and VEG.

As regards storage capacity, we must aim in the short term to provide the necessary facilities. Very important in this connection is a rise in the proportion of dry substance in liquid manure to an average of 5-6 percent. The accomplishment of this task requires close collaboration between the livestock and crop production LPG's and VEG's. Cooperation councils and their party groups should make this an item of special consideration. It is moreover very important to continue developing all reserves for the production of organic substances from other sources.

We all know that in most districts of the German Democratic Republic solid and liquid manures do not suffice to ensure the simple and expanded reproduction of soil fertility. It is therefore necessary to devote closer attention to the so-called humus improving crops. These are most of all legumes and their compounds. Beginning next year it is intended to expand by at least 25 percent the cultivation of legumes and their compounds in main feed crop cultivation. Furthermore we consider it appropriate already in 1981 to raise the proportion of legumes on 250,000 hectares in the course of summer intermediate crop cultivation. From 1982 another 100,000 hectares are to be planted to legumes as intermediate crops. As for the pricing of legume seeds, the economic regulations have provided more favorable terms as of 1 January 1981.

For the sake of better land utilization it will also be necessary to plant a maximum of intermediate crops. That is an enormously important task.

To raise soil fertility we will further require to achieve a stable planting ratio and orderly crop rotation. This was one of the assignments imposed by the Tenth SED Congress and must be carried out everywhere. The prerequisites have been provided. The central organs, for example, have not planned any shifts in the cultivation ratio. From that aspect, therefore, there is no reason constantly to postpone the establishment of firm crop rotation. The sizes of fields must be determined so as to allow for the greatest efficiency. Soil erosion must be resolutely fought.

The improvement in the quality of all types of cultivation significantly affects soil fertility. It is therefore imperative for management operations and the initiatives in the socialist competition to focus on the highest possible quality here. We can best achieve this by even more encouraging quality work in all collectives by rating such work even higher with respect to material interestedness and public moral appreciation.

Yields of crop production for all types of crops must be raised beyond the targets of the directive--on the basis of measures for the improvement of soil fertility and the complete utilization of the land. Grain and feed crops are to be assigned priority.

Briefly summarized, the following tasks are in the foreground:

1. The consistent implementation of the programs for land utilization drafted in the LPG's and VEG's, which must be steadily further perfected and more precisely defined in accordance with the greater demand.

2. The increasingly better supply of organic fertilizer to our land, especially of solid and liquid manure, in order to respond to the demands of the party congress.

3. The cultivation of crops raising the humus content, that is especially of legumes and their compounds. This will also raise the yield of high quality feed.

4. The introduction by every enterprise of crop production of firm and orderly crop rotation, responding to the acknowledged findings of agrarian science.

5. The highest standard of all work in crop cultivation in each enterprise.

The moment of truth in the improvement of soil fertility arrives at the time when yields are reported. The amount of the yields is the criterion of our fulfillment and overfulfillment of the targets set by the Tenth SED Congress for socialist farming and, especially, the crop and livestock production LPG's and VEG's. This is also of decisive importance for the accomplishment of our task to produce grain and feed to the extent required for supplying our livestock from domestic yield. What are our reserves for meeting these challenging targets?

The Tenth SED Congress directive to the five-year plan calls upon us more thoroughly to utilize the yield potential created by plant genetics. That applies in particular to the yield of sugar beet. It is therefore a matter of concern for all, scientists and practitioners alike, by sensible collaboration and socialist cooperation to achieve a fundamental change for the better.

Pasture Land With Large Reserves

Our need to cultivate every square meter of soil, harvest everything that grows and it to the consumer also implies the full development of the yield potential of pasture land, esepcially meadows and pastures. In the pasture land of the GDR meadows and pastures account for nearly 10 percent. Most are to be found on sloping land and moors. We have not yet been able to ensure drainage of extensively used moors. Once we resolve this problem, it will be possible by 1985 more intensively to use another 50,000-60,000 hectares of pasture land. The appropriate conditions should be provided by drainage, the construction of specific mechanization aids and pasture utilization. Total cropping is needed for the more efficient utilization of pasture land.

To secure the necessary livestock production from domestic feed yields we consider it necessary to give priority to these problems in the drafting of LPG and VEG five-year plans. It will be necessary as far as possible to secure agreement within the region between feed yield and feed needs among the cooperation partners of crop and livestock production LPG's and VEG's. These will then require the utmost support by the competent state organs. That also applies to the processing of hay as an important item of feed as well as the utilization of whole plants for ruminants. We recommend therefore that, alongside the drafting of plan documents, programs be drawn up for the joint development of feed management by the crop and livestock production LPG's and VEG's, and adopted by the cooperation councils.

With respect to the production of fruit and vegetables we need even greater efforts to achieve large and stable yields, expand the assortment and lower losses. Required is the development and production of more specialized mechanization and rationalization aids in close collaboration between horticultural production cooperatives, agricultural production cooperatives, state farms and enterprises for agricultural equipment.

We continue to insist that villages supply themselves with the main vegetable and fruit items. Everybody is responsible, regardless whether engaged in crop or livestock production, whether horticultural cooperatives or the respective section of the Union of Small Gardeners, Settlers and Small Livestock Breeders.

With regard to livestock production our future work starts out from existing large stocks. At 5.7 million beef cattle and 12.9 million pigs in 1980 we had, as the Tenth SED Congress noted, the highest ever stocks of beef cattle and pigs. It will now be necessary with the planned livestock to achieve greater yields. The efforts of all must be directed to raising the yield per animal and achieve improved feed management as well as better rearing.

The efficiency of milk production is largely determined by the milking life of the dairy cows. Four years must be the minimum average requirement in the GDR. Slaughter cattle production must be given priority in the coming five-year plan period.

While the progressive enterprises observe to 100 percent the standards of feed consumption in relation to output, the backward ones exceeded these standards by 6 percent last year. At the same time output per animal in these enterprises was 30 percent lower. To do away with these differences--that is one of the greatest reserves in livestock production also.

Furthermore additional feed production is vitally necessary beginning in 1981. The indiepsnable condition for that achievement is the complete and punctual harvesting of everything which grows as well as intensive intermediate crop cultivation. From that aspect also cooperation relations between crop and livestock production LPG's and VEG's are an objective requirement. In addition it will be imperative even better to develop all possible fodder reserves.

The considerable differences between districts demonstrate the tremendous reserves available if kitchen wastes are recovered. While Potsdam, Frankfurt and Erfurt bezirk cities and communities with more than 5,000 residents managed to recover 132, 127 and 106 kg per capita respectively, Schwerin Bezirk could do not better than 62 kg, Leipzig Bezirk 61 kg and Berlin 41 kg.

Much Appreciation for Private Farming

The Central Committee Report to the Tenth SED Congress set out the demand for the even better utilization of the opportunities for producing crops and livestock products in the private operations of cooperative farmers, the members of the Union of Small Gardeners, Settlers and Small Livestock Breeders, and other producers. We have the greatest appreciation of the strenuous efforts made in this field so as to improve supplies for the public and wish to express our gratitude to all small producers. It will now be important especially further to raise the output of eggs, table poultry, rabbits, honey, skins and furs, wool, fruit, vegetables and tobacco.

The production of geese, in particular, is to be assigned priority. The managements and section heads of the Union of Small Gardeners, Settlers and Small Livestock Breeders have been asked to foster greater initiatives to end the decline in rabbit production.

Satisfactory experiences have been recorded by the kreis councils in the drafting of conceptions for the development of small livestock breeding and keeping as well as small horticultural lot cultivation for the period of the five-year plan. The local councils should fully comply with their duties with respect to securing the utilization of all suitable land in cities and villages as well as providing extensive support and assistance for small livestock keepers and gardeners. They should make every effort to see that the members of the Union of Small Gardeners, Settlers and Small Livestock Breeders as well as other small producers receive sufficient seed and seedlings, grafting stock, fertilizer, young animals and other aids to production. The network of buying offices should be expanded so that all products beyond home consumption may be purchased and supplied to retail stores or processing plants.

The VdgB/BHG /Peasants Mutual Aid Association/Peasants Trade Cooperative/ has been charged with improving supplies for the members of the LPG's, the Union of Small Gardeners, Settlers and Small Livestock Breeders as well as other small producers, and to develop more reserves for the home production of building materials, garden tools and production aids.

It is a basic task for all sectors of agriculture, forestry and the food industry significantly to improve the cost/profit ratio. For farming to make a meaningful contribution to the growth of the national income, it will be indispensable to eliminate all differences. This is one of the greatest reserves available to us. Representative studies have shown that yields in crop production--in exactly the same growing conditions--may vary by 10 decitons of grain units per hectare of agricultural area.

Again in the same growth conditions there is a difference in the cost ratio between the group of the worst and best crop production enterprises amounting to 108 : 76. When we scrutinize this analysis we see that usually the low efficiency LPG's are badly managed, the atmosphere in the enterprise is poor and the turnover of the labor force large. That is confirmed by the fact that the backward LPG's have 15 percent less workers per 100 hectare agricultural area than their progressive counterparts. The capital equipment rate per hectare also is lower by some M1,000. It is therefore imperative for the kreis councils to help the backward LPG's eliminate these differences, based on the proper analysis of the underlying causes. This includes setting out concrete requirements about changing the situation and helping to enforce them on the spot.

These same LPG's should also receive more assistance with housing construction, coping with the undue labor turnover, the better organization of working and living conditions. Wherever people feel happy, know that their efforts are appreciated, and wherever all prerequisites exist for a satisfying atmosphere at work, the working people will repay us by greater efforts to strengthen socialism. Just for that reason it is the moral obligation of party organizations in every respect to help the neighbor who has not yet achieved this high standard.

Of course regular exchanges of experience and performance comparisons are the best and cheapest investment. However, a modern revolutionary is distinguished by working and struggling wherever he is most urgently needed. Such initiatives as in Nischwitz (Leipzig Bezirk), Willmersdorf (Frankfurt Bezirk), Vipperow, Boitzenburg and Mittenwalde (Neubrandenburg Bezirk), where experienced cadres went to work in efficient LPG's, demonstrate the selfless attitude of communists who do everything possible to enable everyone to record the greatest achievements for the strengthening of socialism, the implementation of the Tenth SED Congress decisions.

Young people have also shown their mettle by their revolutionary enthusiasm in the realization of the decisions adopted by the Eleventh FDJ Parliament. Our highest praise must be bestowed where, for example, a kreis youth project in Grimmen Kreis was directed to helping four LPG's by the delegation to them of 20 of the best FDJ members this year and 75 by 1985. It should be a matter of honor for every party organization in every kreis and every district to do everything in its power in order within the briefest delay to overcome the still persisting differences between LPG's and VEG's and thereby develop reserves in new dimensions for the necessary steep rise in the performance of the national economy.

Investments are of paramount importance for the reproduction process in agriculture, forestry and the food industry. The main tendency of our investment policy consists in gradually raising the share of equipment and thereby more favorably organizing the ratio of buildings to equipment. The reproduction of the existing equipment stock must be secure and, in addition, advances achieved in the technical equipment for soil cultivation, harvesting, transportation, handling and the mechanization of animal husbandry.

We have learned that the greatest profit is achieved when we concentrate investments on the rationalization of barns, on conservation and warehousing, humus management and drainage. Of great importance for the implementation of investments is the further lowering of construction costs. Investments will also be directed so as to ensure the replacement of heating oil, the development of alternative energy sources and the use of industrial robots and microelectronics in selected fields of application. Reconstruction and rationalization take absolute priority over new construction. The focus is on the rationalization and reconstruction of barn facilities. Of the greatest importance is the fulfillment of the housing construction program in rural areas. We are confronted with the challenge substantially to raise the output of equipment and rationalization aids. Repair and maintenance services must be guaranteed.

We will have to obtain the necessary capacities for rationalization aid production, mainly by lowering the need for repairs by better servicing and maintenance of equipment, raising the operating periods of machines and tractors as well as ensuring the best possible standard of repairs. Capacities for the increased production of rationalization aids should also be developed in the sector of agricultural building construction.

Wealth of Capital Equipment

A sound cost/profit ratio is largely determined by the more efficient handling of the existing capital equipment. As the Central Committee Report to the Tenth SED

Congress emphasized, the extent of capital equipment stocks in socialist farming in 1980 by comparison to 1970 had risen to well above 180 percent. Consequently depreciations in crop production recorded M203 per hectare of agricultural area and maintenance costs M490 per hectare of agricultural area. These two together account for more than 32 percent of total prime costs in crop production. These few figures exemplify the rise in the place value of the more efficient handling of our basic assets. As capital equipment stocks will continue to rise in the process of mechanization, a large increase in output is the most important prerequisite for the improvement of basic asset efficiency.

The second decisive condition is the lowering of repair costs. It will be necessary, therefore, in the course of the five-year plan period to provide the prerequisites for all tractors, trucks and farm machines to be serviced and maintained at service stations in accordance with the service order. We must furthermore ensure that all tractors, trucks and large machines as well as planting, fertilizing and plant protection equipment is stored in proper shelters. The material interestedness and sense of responsibility of mechanizers and management cadres must be raised with respect to the long life of equipment and the efficiency of supervision to be exercised to this end. The economic regulations in effect should be reviewed and amended where necessary. Agricultural production cooperatives and state farms have achieved satisfactory results whenever they managed to enforce proper order and discipline in the servicing and maintenance of equipment.

Decisive tasks arise from the Tenth SED Congress demand for promptly making the opportunities offered by the scientific-technological revolution the main reserve for the growth of output and efficiency. Now new problems have arisen, and it will be necessary to direct research and innovator initiatives to their resolution in order to meet the great challenges of the 1980's. The Tenth SED Congress described as a priority the breeding of new plant varieties and the improvement of livestock breeds. We must also seek approaches to the better utilization of the free productive forces of nature in order to raise the output of biological raw materials. It is turning out to be more and more necessary conscientiously to coordinate scientific-technological efforts and speed up the transfer of research results to production.

All matters involving the growth and stabilization of yields of agricultural and horticultural crops have their place in the research plans. That applies especially to grain, basic feed and sugar beet. We need new scientific proposals in order decisively to lower losses in production, warehousing and processing. Just as for production, the need in scientific work is for achieving more with the available and planned funds and for obtaining improved results. As regards the use of microelectronics, alternative energy sources and robots, the pertinent tasks are to be included in the five-year plans of research and development. Cooperation with Soviet scientists is to be further deepened.

It is of strategic importance to seek new approaches to the steadily better utilization of the productive forces of nature to raise the production of foods and biological raw materials. That also applies to the issue of the greatest possible energy conservation and the development of new sources of energy.

In view of the horrendous rise in the prices of raw materials and energy sources we have only one way out: First of all as rationally as possible the traditional energy sources such as brown coal, and secondly to develop new and alternative energy sources.

It is imperative to the widest extent to utilize scientific-technological findings. We must therefore do everything possible to recover energy by means of heat pumps and heat exchangers, and economically develop solar energy by means of solar cells, utilize wind power and obtain another energy source by the production of gases from biomass.

Nobody should be satisfied to merely follow existing examples in our industry. Actually we must organize the mass utilization of alternative energy sources. We need a great initiative push, imagination and commitment in order to provide the material-technical prerequisites for all of this.

The realization of the economic strategy and further social development call for a greater contribution of the social sciences, especially with regard to farm management and business management, the necessary advanced rise in the output of agriculture, forestry and the food industry. To be tackled and dealt with in particular are the new problems arising with regard to the efficient organization of the reproduction process in cooperating crop and livestock production LPG's, their relations with the processing industry and the trade. Here also we must focus on the need to use and convey to the consumer everything which grows and is produced.

We need new knowledge also regarding the management of the various branches of farming, forestry and the food industry, and their interlinking with other sectors of the economy, so that we may learn better to cope with these processes. That includes scientific work for the preparation of the agrarian price reform. Needed generally are far more top performances in the decisive fields, and that within a briefer delay. It is therefore a priority task of the basic organizations and all responsible management cadres to organize the more resolute struggle for great scientific-technological results.

The rapid and broad transfer of new scientific findings decisively depends on the closeness of the links between science and production. We should therefore increasingly utilize the tried and tested methods as well as develop new ones. Party and state organs in the regions as well as economy managing organs should ensure that LPG's and all enterprises incorporate challenging scientific-technological tasks in their five-year and annual plans, and that they direct the initiatives in the socialist competition to their accomplishment. The achievement of the planned profit is to be reported in this field also. All this presumes that all scientific facilities in the region, in particular the district scientific centers, provide concrete and prompt assistance on the spot. That should be secured by contracts and long-range agreements, coupled with the observance of mutual material interestedness.

With respect to the further social development in rural areas we are guided by the fact that the development of socialist production conditions has provided more favorable conditions for the further development of the productive forces.

Agricultural production cooperatives and state farms engaged in crop and livestock production will continue to be the basis of our agriculture. In the coming years it will be imperative further to strengthem them and their cooperative facilities in every respect. This requires strengthening their own responsibility and overcoming unjustified differences in performance. The focus here is the development of cooperative democracy by the widespread involvement of all members, such as prescribed by the model statutes and model enterprise orders.

The Power of Cooperation

Of fundamental importance is the purposeful further development of cooperation relations between the crop and livestock production enterprises in socialist agriculture. That is an objective process arising from the reproduction process of farming, the sequence land-crop-livestock.

Cooperation represents a significant reproductive power and must be steadily better exploited so that in our conditions of specialization and the division of labor between crop and livestock productoion the common responsibility and coordinated action for high yields in the fields and better output in the barns may further the stable supply of food to the public and raw materials to industry.

The steadily closer cooperation between the livestock production LPG's and their partners, the crop production LPG's, represents an immense reserve for developing in all collectives more initiatives for raising domestic feed production and efficiently using that feed as well as better supplying the soil with organic substances. Reciprocal assistance by way of manpower and equipment is also very important. This procedure enables the social labor capacity and the available stock of capital equipment and circulating funds to be more fully utilized.

Very important in cooperative collaboration is the transfer of the experiences of the best, so that we may produce more, better and more cheaply without adding to costs. These apparently simple methods of cooperation should be far more highly regarded. All this requires the work of cooperation councils and their party groups to achieve a higher standard, and they should therefore receive our full support and assistance.

The cooperation councils carry a steadily growing responsibility, in particular for the coordinated development of crop and livestock production. At the center is feed production corresponding to demand, the efficient utilization of the feed and organic fertilizers as well as the most rational possible utilization of the social labor capacity. The cooperation councils must ensure the use of investments--coordinated between the partners--for speeding up scientific-technological advances and rationalization. Accordingly they will establish common funds for that purpose.

The most advanced type of cooperation is represented by the agroindustrial associations. These also are confronted with greater challenges. Maximum results are to be achieved by close cooperation with livestock production. Livestock production must be supplied with all the feed necessary .

Cooperation between LPG's and VEG's on the one hand and processing enterprises and the trade on the other should help improve the public supply of high-quality foods in a broader range. To help this along the experiences of well functioning cooperation associations should be rapidly generalized. Efforts are to be directed mainly to the most rational possible organization of production stages, the avoidance of processing, transportation and trading losses as well as the improvement of the quality of end products.

The Tenth SED Congress has reaffirmed that the principle of voluntarism must at all times be observed in the deepening of cooperative collaboration. That is why we must proceed gradually, taking into consideration the differences in conditions.

It is an important task for our politico-ideological work steadily further to develop cooperative democracy. That is highly significant for the development of the initiative and creativity of cooperative farmers and the utilization of the enormous potential of cooperative property. Here the councils for agriculture and the food industry at the kreis councils bear a heavy responsibility. As democratic organs they must increasingly deal with all fundamental issues involved in the development of farming and the food industry in the kreis and submit their suggestions to the kreis council for decision. That applies mainly to the targets of the five-year plan and the annual plans, the speed-up of scientific-technological progress, the most efficient use of investments and other material-technical resources as well as promotional means.

The council for agriculture and the food industry critically analyzes the results achieved in production as well as their effectiveness, and thus contributes to the removal of still persisting differences and the development of all reserves.

As stated in the SED Program, our agrarian policy is directed to the perfection of socialist production conditions and the consolidation of the alliance between the working class and the class of cooperative farmers. We thus continue to realize Lenin's plan for the cooperatives. Lenin said: "The farmers appreciate that we have taken power on behalf of the workers, and that we are pursuing the goal of building the socialist order by this power." We are intent steadily better to utilize all the potential of cooperative property and further to strengthen the class of cooperative farmers.

The Tenth SED Congress decided that a new LPG law was to be drawn up. This law will take into account the further development of production conditions in our socialist agriculture and serve to encourage our agricultural production cooperatives. The involvement of cooperative farmers must be ensured to an even greater extent. The preparation and conduct of kreis farmers conferences and the Eleventh Farmers Congress offer a great deal of scope for this.

The economy of every socialist farm enterprise must be so organized (coupled with the observation of its specific conditions) that the best possible results are achieved everywhere, and that production is both efficient and profitable. This applies especially to the further organization of remuneration in the livestock LPG's. The performance principle is totally applicable here also. At the same time such factors as the achievement of top output from home grown feed, lower losses and improved efficiency and quality should be more highly valued.

Focus on Management

The scientific facilities in the field of socialist management, the ministry as well as kreis and bezirk councils must occupy more with the economic problems of agricultural production cooperatives and state farms as per the greater challenges of the 1980's. It will be necessary by the proper management measures to save money, energy, working hours, feed, transportation, materials and administrative expenditure.

The Tenth SED Congress moved into first place among intensification factors the training and further education of working people in agriculture, forestry and the food industry. It thereby underlined the fact that increased output and growing efficiency largely depend on the knowledge and skills of cooperative farmers and farm workers. Prior training therefore requires constant attention. We need more apprentices, especially for the production sectors, work in the fields and barns.

The high standard of the productive forces and production conditions achieved, the grown socialist consciousness of cooperative farmers and farm workers as well as the new conditions for the rise in efficiency in our national economy imply new challenges to training and education. That applies to the improvement of business, agrarian and economic knowledge in order better to understand the motivation of our policy. It also includes politico-ideological and theoretical instruction in the basic organizations of our party and the social organizations. It is therefore imperative for all party and state organs as well as FDJ leadership organizations to devote the greatest possible attention to these issues.

We should also note that the growing democratic involvement of cooperative members in their agricultural production cooperatives, cooperation councils and kreis councils for agriculture and the food industry as well as their active participation in the social life of the region presume steadily better political and technical education. These are important issues regarding the development of cooperative farmers as a class.

Training and further education must be directed to the crucial key points of further intensification and scientific-technological progress. It must provide sounder knowledge and at the same time foster creativity, initiative, the willingness to perform and conscious work discipline.

The executive boards of LPG's and management organizations of VEG's and other enterprises must ensure the proper training of professional successor generations as well as the job and function related further education of their cooperative farmers and farm workers on the basis of long-term cadre and educational programs in accordance with the new demands. We must also instruct more women farmers to work with mechanized equipment. Needed therefore is even more responsible work in each LPG and enterprise so as to recruit the apprentices required (as far as possible from the ranks of the families of cooperative farmers and farm workers), especially for the production sectors of crop and livestock farming, to train them properly, settle them in their jobs and encourage their development in every respect.

The new criteria of the 1980's are linked with new challenges to the systematic further education of management cadres at all levels, including the personnel in state organs, social organizations and our party, of specialists and all working people. That applies to the syllabus as well as to its rational application. To be comprehensively used are the many opportunities offered by consultation enterprises and scientific facilities for the dissemination of new knowledge, the experiences of the best and innovator solutions.

It is vitally necessary now to direct all forces in the socialist competition to exceed the planned yields per hectare by the exemplary cultivation of all crops, excellent preparation and low-loss harvesting. By the maximum increase in feed output at the best possible quality, the cooperative farmers and workers in the crop production agricultural production cooperatives and state farms will provide the decisive prerequisites for their cooperation partners in livestock production to overfulfill their state targets and competition obligations with regard to slaughter cattle, milk and eggs.

Provided we manage a good harvest this year and carry out the fall cultivation at good quality, we will provide important prerequisites for expanding our domestic fodder basis, so that imports of feed may be reduced and eliminated. A good harvest offers the basis for securely supplying the public with food and industry with raw materials.

Let us resolve at the 1982 Farmers Congress, this great forum of cooperative farmers and workers in our socialist agriculture, forestry and food industry, to report the first satisfactory results in the implementation of the Tenth SED Congress resolutions. I wish all of you new successes and creative powers.

Capacity To Expand Questioned

Cottbus LAUSITZER RUNDSCHAU in German 18 Jun 81 p 3

/Interview with Prof Dr Hans-Joachim Liste, director, crop production section and chief, science program, Martin Luther University, Halle-Wittenberg; date and place not given: "More Grain and Fodder Year After Year--Is It at All Possible?"/

/Text/ Biographic Data on Professor Liste

Hans-Joachim Liste was born in Toeschwitz (now the People's Republic of Poland) in 1934, the son of a farming family. He attended elementary school and graduated from the Halle workers and farmers college.

He continued his studies in Halle from 1955-1959 and graduated as a diploma agronomist. Later he worked at the agricultural faculty of Martin Luther University as a scientific intern, assistant, senior assistant and lecturer. In 1962 Hans-Joachim Liste completed graduate studies in the Soviet Union. In 1973 he was appointed professor. Since 1980 Comrade Liste has been director of the section crop production.

Hans-Joachim Liste joined the FDJ in 1951.

In 1955 he was accepted as a candidate for membership in the SED. Comrade Liste held various party offices, among others he was party secretary of the section from 1972 to 1976. Since then he has been a member of the university party leadership.

Professor Liste is chairman of the advisory council on agrarian science at the Ministry for University and Technical School Affairs, member of the scientific-technological council at the Ministry for Agriculture, Forestry and the Foodstuffs Industry, chairman of the committee on soil fertility of the GDR Society for Soil Mechanics, and candidate of the GDR Academy of Agricultural Sciences.

Hans-Joachim Liste is the author and co-author of several books, brochures and monographs, for example the university textbook "Ackerbau" [Tillage] (to be published soon) and the book "Fruchtfolgen in der Industriemaessigen Pflanzenproduction" [Crop Rotation in Industrialized Crop Production]

Comrade Liste has been awarded the GDR Medal of Merit and distinguished several times as activist of socialist labor.

Hans-Joachim Liste's wife is also a diploma agronomist. They have two sons, aged 18 and 10.

In the early 1950's a worker employed in GDR agriculture produced food for 5 people, now he produces enough for 35. In 1980 every citizen of the GDR consumed an average of 89.6 kg meat, 15.3 kg butter, 219 eggs, 7.7 kg cheese, 100 kg milk. To meet this demand some 34,500 pigs and 4,600 beef cattle are slaughtered daily. Each day farming also supplies 19,000 tons of milk, 14 million eggs, 8,000 tons of potatoes and 4,500 tons of vegetables. To meet the great demand for animal products, 75 percent of the grain needed in the GDR are used as fodder. The total annual grain requirement amounts to 12 million tons. However, the agricultural area is limited and amounts to only 0.37 hectares per capita, equivalent to a football field. The United States, for example, has available 2 hectares. It is therefore still necessary for the GDR to import about 2-3 million tons of grain per annum, although the price of grain has tripled on the world market in the course of the past 10 years. These facts provide the background to today's interview.

[Question] Dr Koeniger, G. Boeschow and other readers have written to ask: Though we already have a large food consumption, the demand will continue to grow in the coming years. Will our agriculture be able to cope and produce the yields necessary in crop production?

[Answer] Let me first say this: The people of our republic are well and steadily supplied with food. And I must add here: At stable prices for all essential foods. Many people in capitalist countries would be happy if they could say the same.

Such achievements of course presume the corresponding efforts in agriculture and the food industry. In particular stable and rising yields in crop production represent a vital prerequisite.

/Question/ Could you give us some examples?

/Answer/ Let me exemplify this by the average GDR grain yield. In 1955 we harvested 24.8 decitons per hectare. Twelve years later we made it 30 decitons for the first time, have since steadily exceeded these hectare yields and are now close to 40 decitons per hectare. Within this range we have top yields in enterprises which average 55 decitons and, on fields with particularly good soil, have managed more than 80 decitons. Even in Cottbus Bezirk, where sandy soil prevails, we are now achieving yields considered impossible 20 years ago. The farsighted farm policy of the party, the socialist development of agriculture and the skills of the people thus yield rich fruit. The successful advance of our socialist agriculture is indisputable. Every social advance but also scientific findings increasingly affect the development of agriculture. Of course our ancestors were equally eager to achieve better harvests. Last century, for example, grain yields doubled by the introduction of fodder croups and vegetables into the rotation, rising from 7-8 decitons per hectare to 14-15 decitons per hectare. The introduction of artificial fertilizers and better plowing succeeded in raising yields once again, to 20-25 decitons per hectare. The socialist intensification of farming has resulted in increased crop and livestock output within a far shorter delay.

/Question/ We are sometimes asked whether we can possibly expect more from fields and meadows. Can the land manage that which we call on it to do?

/Answer/ In the first half of the 20th Century the average rise in the yield of grain amounted to 5-10 kg per hectare and year. In the second half this growth was exceeded. The Tenth SED Congress has set the target of ensuring stable increases in yields of 20-30 kg grain units per hectare. That is a challenging but realistic assignment. After all, we have brought in 2,000-3,000 harvests on our land. So far we have not seen any signs of excess use. Therefore we will be able to harvest more in future also.

/Question/ Comrade Professor: You have already started in on the answer to our next question: Is it really necessary to steadily raise yields, seeing that we are already well supplied?

/Answer/ Oh yes, it is indeed necessary. The reasons are many. I will mention only the rising prices of grain and the growing need for food and raw materials from agriculture. Every ton of grain we produce ourselves saves us foreign exchange.

Grain is becoming more and more costly. It is the only type of crop we have not yet succeeded in providing entirely from our own resources. Let us keep in mind something the people of the GDR (who are well supplied with food at stable prices) should never forget: Hunger rules in many countries on this earth. Malnutrition is growing faster at present than the world population which is rising by 70 million annually. Five hundred million people are malnourished, 50,000 people die of hunger daily. In the face of these facts the imperialists remain cold as ice; they prefer to destroy surplus grain for the sake of profit. By unscrupulous price increases and inhuman trade practices they prevent more help for the suffering people who must cope with the legacy of colonialism.

The working people in farming bear a great deal of political and economic responsibility. They must do everything possible to grow more grain. It was decided at the Tenth SED Congress by 1985 to produce at least 10 million tons of grain, in other words to harvest more at home and lower imports by more than 1 million tons. Let me say quite plainly: The security of our standard of living and its further gradual improvement, the pursuit of our tried and tested line of the unity of economic and social policy, clearly and unambiguously formulated at the Tenth SED Congress for the coming year, challenge every worker in farming to meet the new and enormously grown demand. The benefits inherent in our society must therefore be linked even more comprehensively with scientific-technological advances and made to serve us.

/Question/ What, in particular, are you thinking of, comrade professor?

/Answer/ First of the experiences of the best which are to be found in every kreis of Cottbus Bezirk also, and their generalization by which the persisting unjustified differences may be more rapidly reduced.

For Cottbus Bezirk and its sandy soil all opportunities should be used even more to encourage the cultivation of wheat and barley. The statisfactory status of winter grain with about 83 percent of the grain area (in 1980) should be maintained.

Considering the large area planted to rye in the district (some 80,000 hectares), every rise in yield assumes enormous importance. And such increases are possible and necessary for rye also. That begins with the appropriate crop rotation. Sometimes people tend to underestimate that, because they believe rye can stand anything. However, if the overall crop rotation is correct, we may achieve 10 percent higher yields, provided the other necessary cultivation measures proceed correctly. Lastely, as regards the 1 million tons which we want to add from GDR output by 1985 or the target for your district by 1985 to raise annual grain production by at least 50,000 tons compared with 1980, we are concerned mainly with bread grain, because that is the most extensive type on the world market. It costs much more than feed grain. Everything therefore calls for the more intensive utilization of the valuable land.

After all, the land is our main means of production. The fields must therefore be tilled with the greatest plan discipline, every square meter of land must be used for food production, because we are unable to increase the agricultural area. That applies also, and quite particularly so, to Cottbus Bezirk where we have an extensive mining industry which will preempt land for a long time to come. It is most important to establish close cooperation between mining and farming, ranging from the technology of coal mining to the recultivation and reconversion of the land by the cultivation of grops which quickly return good yields.

Considering that every square meter of land is important for our food supply, the new land use decree in effect since 1 May has underlined this: Everyone in our country holds a good deal of responsibility for utilizing everything and not allowing even 1 square meter to be alienated unjustifiably. I consider the Cottbus Bezirk program for the long-term improvement of land use to be an important measure in that respect also.

/Question/ In this district the mechanizer movement is largely responsible for the improvement in crop cultivation. What is your appraisal of the role of the mechanizer?

/Answer/ We are particularly concerned with the orderly conduct of cultivation, the careful handling of the land, as the prerequisite of rising yields. This includes stable crop rotations, rational tilling, the use of organic substances, the effective application of fertilizers, the protection of the soil against water and wind erosion. In all of these reserves remain to be developed.

The mechanizer movement and the mechanizer conferences held annually in your district are very helpful.

By passing on the experiences of the best and using them for good cultivation, the work done in Cottbus Bezirk with the mechanizers has acquired a good reputation in the GDR. What is being done in this respect eminently serves the concept that man guides the equipment and determines the standard of work on the land. In crop production that is becoming more and more axiomatic. Every mechanizer must increasingly be his own quality inspector! That is the only way of achieving the best possible cultivation on every square meter. To exemplify this: A plant is not an animal and has no legs. Its main root area runs to a quarter square meter maximum. What it cannot find there in the way of nutrient, it will never be able to get. Careful cultivation, therefore, largely decides the yield. Moreover: Soil organisms are just as sensitive as other living things. The field is not an air strip. Any unnecessary driving across it can only do harm.

/Question/ Maybe you could tell us some of your thoughts on coarse fodder production which seems to be steadily more important?

/Answer/ I said earlier what grain means to us. That is why it is important in livestock feeding to even better use the total of other reserves available. We must get the maximum benefit from coarse fodder. Coarse fodder must yield more energy and protein. It will therefore be necessary to emphasize the cultivation of fodder crops with just such qualities. We will be helped to achieve definite savings of grain in feed management and still ensure excellent performances by the livestock if we cultivate legumes and their grass compounds, make the greatest possible use of green fodder, plant early intermediate winter crops and properly stagger cutting. Nor must we forget the pasture land which, in Cottbus Bezirk, accounts for more than half the coarse fodder area. At the same time it will be necessary steadily to work on the further improvement of soil fertility. I am quite aware that good experiences have been gained here in Cottbus Bezirk. Other important aspects are the intensification of corase fodder cultivation and the raising of potato yields, so that potatoes may again and to a greater extent take the place of grain.

/Question/ At the Tenth SED Congress Comrade Honecker made a remark blaming the weather for some farming problems. What are your comments on the wealther generally?

/Answer/ The sun and the rain have always been natural allies of the farmer. Unfortunately they do not always turn up at the right moment. Remember the extreme drought in 1976, followed by floods in 1977, However, we have also learned that enterprises with good management and satisfactory crop cultivation record far smaller weather related fluctuations in yields. Carefully planned crop rotations, well maintained and fertilized land, working improvement facilities--all these are important factors for stability as against weather effects. We will have more proof this year, when the spring weather was anything but good.

/Question/ In summation of this interview we could conlude by saying that we have satisfactory prerequisites and conditions for achieving the targets of the Tenth SED Congress.

/Answer/ Indeed we have. We have invested a lot in our agriculture. Our expenditure on total nutrients per hectare is among the largest in Europe. Every eighth hectare gets additional irrigation. The money spent on plant protection as tripled in the past 20 years. This rise in expenditure will no longer be feasible in future. More must be done with the available funds. We are concerned with greater efficiency, and that can be secured mainly by rising and more stable yields. Clever and experienced people are working everywhere in our country, and they will be able to do that. Given the wealth of scientific knowledge and the experiences of the best, the challenging targets of the Tenth SED Congress directives are a realistic assignment which we will accomplish together.

/Question/ Many thanks for the interview.

11698
CSO: 2300/286

LAW ON 1980 BUDGET PUBLISHED

Budapest MAGYAR KOZLONY in Hungarian No 40, 10 Jul 81 pp 607-608

[Law No 2 of 1981 On the Execution of the 1980 Annual Budget of the Hungarian People's Republic and the 1976-1980 Fiscal Plan of the Councils]

[Text] Upon reviewing the provisions of Law No 2 of 1970 on public finances, the National Assembly passes the following law:

Part One

Execution of the 1980 Annual Budget

Principle Sums

Section 1

The National Assembly of the Hungarian People's Republic hereby approves the report on the execution of Law No 3 of 1979 on the 1980 annual budget, listing

423,030,000,000 (four hundred twenty-three billion thirty million) forints in revenues,

427,530,000,000 (four hundred twenty-seven billion five hundred thirty million) forints in expenditures, and

4,500,000,000 (four billion five hundred million) forints in deficits.

Detailed Revenues

Section 2

Tax and other payments by enterprise management organizations--not including payments listed under Section 3--amounted to 300,894 million forints, 71.1 percent of our total revenue.

Section 3

Social insurance payments and contributions to the pension fund by enterprise management organs, state-financed institutions and the population amounted to 53,579 million forints, 12.7 percent of our total revenue.

Section 4

Tax and duty payments by the population amounted to 10,727 million forints, 2.5 percent of our total revenue.

Section 5

Mandatory payments from the profits of state financed institutions into the budget amounted to 10,915 million forints, 2.6 percent of our total revenue.

Section 6

Miscellaneous revenues from our international financial relations, domestic credit operations and other sources amounted to 46,915 million forints, 11.1 percent of our national revenue.

Detailed Expenditures

Section 7

A sum of 69,555 million forints, 16.2 percent of our total expenditure, went to investments, to increasing the financial assets of council development funds, to state subsidies for privately undertaken house construction projects, to working capital allocations connected with certain state investments and to central stockpiling.

Section 8

A sum of 131,810 million forints, 30.8 percent of our total expenditure, was allocated for tax rebates and subsidies aimed at enhancing the production and commodity turnover of our enterprise management organizations.

Section 9

A sum of 77,666 million forints, 18.2 percent of our total expenditure, was allocated to finance our social insurance programs, which include family allowances, disability payments, child-care and other types of cash assistance, therapeutical services, pensions and other provisions, as well as matching funds for agricultural cooperative, industrial cooperative and artisan pension funds.

Section 10

(1) A sum of 119,554 million forints, 28 percent of our total expenditure, was allocated to the projects of our state-financed institutions.

(2) The sum stated in paragraph (1) can be broken down according to the following main projects:

20,899 million forints, 4.9 percent of our total expenditure, went to health and social programs, including the maintenance of hospitals, clinics and other medical facilities for in- and out-patients, mother-infant- and child-care, public health and epidemiological services and other sanitary and social projects, as well as to subsidies to keep our health resorts operating;

35,120 million forints, 8.2 percent of our total expenditure, to cultural projects including the maintenance of elementary, secondary and higher educational, scientific research, public educational, art, child- and student-welfare institutions and sports facilities;

16,854 million forints, 3.9 percent of our total expenditure, to defense;

10,905 million forints, 2.6 percent of our total expenditure, to law enforcement and public order maintenance;

6,624 million forints, 1.5 percent of our total expenditure, to central and local administrative purposes;

20,756 million forints, 4.9 percent of our total expenditure, to finance the road- and bridge-maintenance, municipal, agricultural, water-supply management and other economic projects of our state-financed institutions;

8,396 million forints, 2 percent of our total expenditure, to modernizing the fixed assets of our state-financed institutions and to the performance of other tasks.

Section 11

A sum of 28,945 million forints, 6.8 percent of our total expenditure, was paid out to fulfill our international financial obligations, to make interest payments and to carry out other budgetary tasks.

Miscellaneous Orders

Section 12

The National Assembly hereby approves the steps taken by the Council of Ministers and the minister of finance under the authority granted to them in Section 16 of Law No 3 of 1979, to execute the 1980 annual budget; furthermore, it accepts the fact that in thecourse of this process revenues and expenditures fell 470 million forints short of the estimated principle sum.

Section 13

The National Assembly acknowledges the fact that within the amounts specified in Section 1,

the revenues of our state-financed institutions--supplemented by social insurance and pension contributions--which are listed under a separate heading of the budget, fell 1,117 million forints short of the estimated level while expenditures were 287 million forints less than anticipated, and that the implementation of each section was carried out according to Appendix 1, and furthermore, that state subsidies to the budgets and development funds of the councils exceeded the allocated amount by 1,342 million forints and 475 million forints, respectively, and that implementation on the capital city, megye and municipal council levels was carried out according to Appendix 2.

Part Two

Execution of the 1976-1980 Fiscal Plan of the Councils

Section 14

(1) The National Assembly hereby acknowledges that in accordance with Law No 5 of 1975 on the 1976 Annual Budget of the Hungarian People's Republic, and on the 1976-1980 Fiscal Plan of the Councils--taking also into account those orders which were appended as enclosures by laws passed on the annual state budgets during the extended plan period--the councils received an additional 8,353 million forints for their operating budgets and 1,894 million forints for their development funds in the form of state subsidies.

(2) State subsidies paid out during the extended plan period to capital city, megye and municipal councils were administered according to Appendix 2.

Part Three

Closing Provision

Section 15

This law will enter into force on the day of its promulgation.

(signed)

Pal Losonczi
President
Presidential Council of the
Hungarian People's Republic

Imre Katona
Secretary
Presidential Council of the
Hungarian People's Republic

9379
CSO: 2500/320

LAW ON DEVELOPMENT OF SMALL-SCALE INDUSTRY PUBLISHED

Warsaw MONITOR POLSKI in Polish No 15, 24 Jun 81 pp 113-115

[Text of Council of Ministers Resolution No 112, dated 8 June 1981]

[Text] In the matter of the development of small-scale industry

In order to insure conditions which will permit acceleration of small-scale industry development, and in order to guarantee self-sufficiency, self-government and self-financing of small-scale industry units, as provided for by Art 9 and 25 of the Decree dated 26 October 1960, concerning state-owned enterprises (Dziennik Ustaw [Dz U] 1960, No 18, Item 111), Art 7, Ust 4, Art 8 Ust 4 and 14 of Decree dated 25 November 1970,--Budget Law (Dz U No 29, Item 244), Art 2 and 3 of Decree dated 21 September 1950, concerning taxation of socialized economy enterprises (Dz U No 44, pos 399), Art 58, Para 2 of Statute dated 17 February 1961, concerning cooperatives and their unions (Dz U 1961, No 12, Item 61 and from year 1974, No 47, pos 281, Art 1, 2 and 4 of Decree dated 3 June 1953, concerning stabilization of prices, payments and tariff fees (Dz U No 31, Item 122) also Art 42 of Statute dated 8 June 1972, concerning employment in and organization of crafts (Dz U 1977, No 4, Item 20), the Council of Ministers has decreed as follows:

Para 1. The term small-scale industry includes:

1) enterprises of state territorial industry;

2) key industry units in which the director and self-government of the personnel, in conjunction with a superior unit, acknowledge that they are engaged in an activity described in Para 2;

3) cooperatives and plants of their own cooperative union;

4) units forming part of social organizations conducting economic activity;

5) craft workships and cooperatives, enterprises acting on the basis of a statute pertaining to conduct of commerce and certain other types of activity by units of nonsocialized economy and statute concerning working in and organization of crafts and also persons who conduct folk and artistic craft trade work;

6) partnerships of legal and physical persons named in points 1-5 above, including partnerships with limited responsibilities of legal and physical persons.

Para 2.1. Main tasks of small-scale industry units, in economic activity are:

1) manufacture of goods and provision of services of the market supply;

2) cooperation with small-scale industry units and key industry enterprises;

3) manufacture of goods and provision of services for agriculture and the development of agricultural food processing;

4) specialized, individual and small serial-item production, manufacture and rebuilding of spare parts;

5) export production and economic cooperation with abroad;

6) exploitation of raw-materials and local materials, derivatives and rejects, utilization of nonactive machinery and equipment and nonactive places and production areas;

7) manufacture of construction materials, single-family construction, investment construction and performance of maintenance of habitats, commercial objectives, service facilities, health-service centers, nurseries, kindergartens as well as cultural objectives;

8) publishing production.

2. Tasks named in Section 1, when performed by small-scale industry units which are cooperatives of disabled persons, people's cooperatives and artistic or ogranizational cooperatives conducting economic activity, should be subordinated to social aims, as defined in the constitution of those units.

Para 3.1. Small-scale industry units are guaranteed equal conditions of development and activity.

2. In order to realize the principle stated in Section 1, appropriate ministers, in matters belonging to their sphere of activity, will promulgate necessary regulations and will insure preparation of legal documentation pertaining to:

1) standardization of procedures and conditions for supplying small-scale industry units with goods, raw-materials, machinery and equipment;

2) administration of territories, production localities and services;

3) principles for submitting work and service requests.

3. The minister of finance will define the extent of exemptions and tax relief for newly organized small-scale industry units.

Para 4.1. The principles of the economic-financial system of socialized small-scale industry units are defined in the addendum to this resolution.

2. The principles defined in Section 1, above can also be used by crafts cooperatives.

Para 5. Enterprises of state territorial industry and key industry units, referred to in Para 1, Item 2), will conduct their activity in conformance with the principles stated in Para 4, Section 1, according to the decisions of their self-governing bodies.

Para 6.1. The self-government of personnel of a work palce which is conducting economic activity as defined in Para 2, which is active within the framework of a state enterprise, may, at the request of employees, petition the proper organ with a proposition to render a decision in the matter of its separation to form a small-scale industry unit. The rendering of a decision which denies such a request will require justification.

2. Separation of a cooperative enterprise will take place in the course of and in accordance with the principles expressed in the statute on cooperatives and their unions.

Para 7. Ministers, voivodship chairmen [voivoda's] (including mayors of cities with voivodship status) will guarantee formation of small-scale industry enterprises created from, among others, public funds. Such enterprises may take the form of cooperatives, partnerships of physical persons or partnerships of legal and physical persons.

Para 8.1. Units of small-scale industry prepare their plans of activities independently.

2. In national socioeconomic planning, the activities of small-scale industry units are admitted separately and for informational purposes.

Para 9. Prices for goods and services are established independently by small-scale industry units in accordance with market criteria, with the exception of basic food items, whose prices are fixed, based on pertinent regulations of the Council of Ministers.

Para 10.1. Small-scale industry units may conduct export and import activities and commercial cooperation with enterprises of the countries included in the II payments area [capitalist countries]. The development of cooperation should occur in particular with these countries with whom there exist appropriate international agreements.

2. Socialized small-scale industry units may form export-import enterprises which act on behalf of such units.

3. The minister of foreign trade and maritime commerce, in cooperation with the minister of finance, at the request of socialized small-scale industry units, may grant permission for independent conduct of import-export activities, provided that the conditions for export development are assured.

4. The contents of Para 16, principles which form the addendum to this resolution, will be applied to crafts workshops.

Para 11.1. Small-scale industry units may make purchases directly in production plants, organizations of market and supply deliveries, agricultural producers and they may also engage in purchasing and acquisition of raw materials, goods and equipment of domestic or foreign origin and purchases from the population for their own production and service needs.

2. Small-scale industry units may make direct purchases, in key industry units, of recycled and rejected raw materials and unexploited machinery and equipment without the intermediate services of specialized units which engage in distribution of such materials, based on principles defined by the minister of materials management.

3. State administration organs and organizations of supply deliveries which distribute materiel and raw materials, will insure that their distribution plans include small-scale industry units which should receive adequate quantities of raw materials and materiel which would be necessary to create conditions which would make possible their rapid development.

4. Depending on the needs, small-scale industry units may organize into voivodship, regional or supply branch units, in the form of voluntary organizations.

Para 12.1. The minister of finance will, by 30 June 1981, establish principles of:

1) a simplified bookkeeping procedure for socialized small-scale industry units;

2) budget cost accounting for socialized small-scale industry units;

3) conduct of foreign-currency exchange for small-scale industry units.

2. The president of the Central Office of Statistics will, by 30 June 1981, introduce a simplified statistical reporting procedure for small-scale industry units.

Para 13. The regulations listed below do not apply to small-scale industry units:

1) Council of Ministers Resolution No 182, dated 9 November 1970, concerning income tax from cooperative activity (Monitor Polski 1970, No 40, Item 299 and 1972, No 10, Item 70 and No 50, Item 265),

2) Council of Ministers Resolution No 183, dated 9 November 1970, concerning principles of fiscal economics of cooperative activity organizations (Monitor Polski 1971, No 33, Item 213 and 1973, No 15, Item 94),

3) Council of Ministers Resolution No 55, dated 9 March 1973, concerning principles of fiscal economics of crafts organizations (Monitor Polski No 15, pos 93),

4) Council of Ministers Resolution No 79, dated 2 April 1976, concerning price controls (Monitor Polski No 19, Item 84),

5) Council of Ministers Resolution No 111, dated 7 August 1978, concerning formation within the Agricultural Cooperatives "Peasants Self-Help" of a fund for the development of food-agricultural processing in gmina's (Monitor Polski No 27, Item 95),

6) Council of Ministers Resolution No 95, dated 30 September 1980, concerning the strengthening of controls for establishment and observance of retail prices (Monitor Polski No 25, Item 135).

Para 14. The following are now defunct:

1) Council of Ministers Resolution No 63, dated 22 March 1971, concerning the extent and direction of activities of socialized small-scale industry (Monitor Polski No 27, Item 171),

2) Council of Ministers Resolution No 167, dated 3 October 1979, concerning the principles of economo-financial system of socialized small industry.

Para 15. This resolution takes effect on 1 July 1981.

[Signed]

Chairman of the Council of Ministers, General of the Army W. Jaruzelski

9511
CSO: 2600/282

POLAND

PROBLEMS OF HOUSING CONSTRUCTION 5-YEAR PLAN DESCRIBED

Warsaw PRZEGLAD BUDOWLANY in Polish No 3, Mar 81 pp 148-151

/Article by Prof Tadeusz Godycki-Cwirko, Lodz Technical College, and Ludwik Andrzejewski, Inwestoprojekt Design Bureau, Lodz/

/Text/ The directions of the systemic construction development in our country will be predicated on numerous parameters, such as, the availability of raw materials, energy and transport. The production potential, which was shaped by a tremendous civic effort in the 1970s, will be one of the major factors. In housing, it means above all the so-called home factories, which were preferred by the decisionmakers over negative evaluations offered by experts.

Therefore, in this situation the projection of the immensely complex function of housing development for the 1980s is an uncommonly difficult task. Nevertheless, these authors hope that their evaluation presented below and which is based to a great degree on a subjective analysis will not suffer from an error greater than that allowed for such studies. Naturally, an assumption was made that the decisionmakers in the 1980s will act in the direction of optimal solutions for individual regions and for the entire country and that these actions will be based on justified technical and economic premises.

The Present Situation

Technology--Multifamily housing construction is dominated by the large-panel technology. In an attempt to fulfill the quantitative plan at any cost, the decisionmaking units of the Ministry of Construction as well as the construction material plants /PMB/ tolerated and even stimulated activities aiming at standardization of prefabs manufactured in the form of big reinforced concrete panels. Then, as if as a result of a conditioned reflex, it became fashionable to create big nationwide systems. In response to critical voices, the so-called open systems were popularized in the belief that they would assure nearly total freedom in shaping the apartment functions and considerable freedom in shaping the building block. These premises full of promise of system openness proved to be fiction in practice. For they were in conflict with the interests of the prefab manufacturers as well as with the prototype projects designed at the central level and put into production throughout the country by means of orders from above before the designs were verified and any errors corrected.

At the end of the 1970s, in support of the so-called open systems, so-called systems integration (IS) was introduced which in conjunction with standardization was supposed both to make large-panel construction more "flexible" and also to increase the production of low-efficiency house-construction factories. This effort was given a big propaganda boost which resulted in availability of great financial resources to carry out extensive research projects on the PR-5 government program. Unfortunately, these projects did not bring the expected results, among others because the IS idea did not show great promise and it was born too late. It would be necessary, then, to bear additional and hard-to-compensate costs connected with the standardization of the equipment in most house-construction factories which operate individually on different bases.

The decisionmakers at the Construction Ministry and PMB, by identifying the industrialization of housing construction with large-panel technology, have popularized it so much that today we can definitely talk about the monoculture of housing construction.

The construction of each new house-construction factory by engaging over 1 billion zlotys (in 1979 prices) and the production potential of construction-assembly plants has delayed and reduced the realization of the housing construction program. In the publication 1 /see Bibliography/, the undersigned attempted to answer the question whether the large-panel technology--justified at a certain development stage--required construction of all-round expensive house-construction factories. Why was it not possible to follow the example of the construction of the Przymorze community project in Gdansk and the Dabrowa community project in Lodz and construct communities with many thousand dwellers by utilizing yardtype, partially roofed plants whose investment costs were about 10 times lower than those for house-construction factories and yet the output would not change.

The analyses in 1 showed that the house-construction factories not only did not accelerate the fulfillment of the housing construction plan; in fact they delayed it by 2 years.

Moreover, by replacing ordinary prefab enterprises with house-construction factories a chance was lost to construct several hundred thousand apartments more for the same money. This does not mean, of course, that the ordinary prefab enterprises could have resolved the problem of housing construction in Poland. In the article 2, taking issue with the ideas of Prof A. Paprocki, we wrote: "The progress in housing construction cannot stop on the large panel, and the large panel cannot be the only solution of the housing problem for the simple reason that the economy of our country will not be able to sustain the expense for long."

Today, the need to introduce new, economically justified technologies, not just along with the large-panel technology, but rather to the greatest degree at the expense of it, is commonly accepted.

Raw Materials--Construction Materials--As a result [illegible] ill-considered decision to limit output of the ceramic industry (which led to [illegible] closing of many brickyards), reinforced concrete became the basic construction material in housing construction. This material--until the mid-1960s predominantly used in industrial and transportation construction--began to dominate multifamily housing construction. These authors are far from denying reinforced concrete its leading role in contemporary construction, because it has it now and will continue to hold it in the future. However, we are against the waste of this valuable construction material on those projects where its properties of durability are not utilized. Large-panel construction is an example of such waste of concrete and steel, because in the carrying structures of apartment houses concrete is on the average utilized in about 20-30 percent, and as to steel, the amount used is most often dependent on transport and reloading factors and not on the inner workings of elements in building construction. That is why the buildings constructed by the use of large-panel technology are--according to the authors--about 30 percent heavier than frame buildings and they are more steel-intensive as well.

In the 1970s the decisionmakers did not take into account the fact that the deposits of readily available aggregates were running out in Poland. The construction-development program for the 1980s indicates that the yearly demand for aggregates will increase by some 250 million tons, and yet in order to meet the demand for natural aggregates of good quality the construction aggregates industry ought to supply some 100 million tons of gravel. This is practically impossible, because in order to sift out such an amount of gravel the production of the aggregates would have to increase twofold. Let us not forget also that the exploitation of the very few remaining deposits of good-quality aggregates is related to transport difficulties, because the gravel deposits are unevenly distributed throughout the country (they are mainly located in Lower Silesia).

Now, after realizing the difficulties in meeting the demand of the construction industry for gravel and base coal, more extensive studies of sandtype concrete have began, at least 10 years too late. Our country still has considerable deposits of sand, which are more uniformly distributed throughout the country and thus may to a degree overcome the transport difficulties. However, sandtype concrete as a construction material is inferior to graveltype concrete. Moreover, the use of sandtype concrete requires more cement.

And yet we are already experiencing excessive and ever-increasing utilization of cement. In the years 1970-1976, the total use of cement per cubic meter /cu m/ increased from 34 to 56 kg. In comparison with other developed countries which, in the period when there was a good investment situation, utilized yearly some 500 kg of cement per capita, Poland used 645 kg in 1980, and by 1990 it is expected to reach the 870 kg-level. This is much too much considering the fact that engineering construction in our country represents a smaller volume than in the highly industrialized countries. This excessive cement-intensiveness can be explained by the fact in comparison with the Scandinavian countries we use about 40 percent more concrete per square meter of living area in cubic-dimensional construction.

The use of steel is similarly unfavorable; as a result of the introduction of large-plate technology, steel consumption increased from 4.8 kg per cu m of building in 1970 to 10.1 kg per cu m of building in 1976.

Energy-Intensiveness--The building weight increase caused by the use of the large-plate technology was accompanied by a simultaneous growth of material and investment energy-intensiveness, since both steel and cement are very energy-intensive.

In the analysis 3, prepared at the request of the Poland 2000--Polish Academy of Sciences Committee, Prof K. Kopecki, leading energy expert, wrote, among others[1]: "The material and investment energy-intensiveness of construction as well as the exploitative energy-intensiveness of construction have had a dramatic impact on the growth of the European socialist countries, particularly Poland, where the ever-popular myth of abundance and inexpensiveness of fuel also stood in the way of a wise energy policy in the construction area despite numerous voices of criticism. At the same time, it was forgotten that energy-intensiveness materials such as steel and cement (which were energy-intensiveness produced in Poland and some other socialist countries) are synonymous with energy and their wasteful use--as has been the case in Poland--constitutes an activity leading to the economic degradation of the country."

It should be noted here that almost twice as much energy is used for the production of concrete in the prefab factories than on the construction site (463 and 253 kWh per ton, respectively).

Similar observations apply to the energy-intensiveness of steel. Therefore--as Kopecki notes--the reduction of steel-intensiveness is of the utmost importance for the national economy and the same is true of the need for radical reduction of energy use during exploitation of buildings

In the Western countries particularly, the latter problem--related mostly to building heating--grew in importance in connection with the price increase for crude oil, which is the initial product for furnace oil.

For example, in the FRG as of 1 January 1977 very strict norms regulating heat insulation in buildings were introduced. And yet the government energy program of 14 December 1977--Energie Program der Bundes Regierung, zweite Fortschreibung--introduced a further increase in thermal insulation for all buildings which were registered after 1 November 1977. Also, old buildings had to be additionally insulated in accordance with this program whose cost will reach DM 4.35 billion within 5 years; 25 percent of this cost will be covered by the state.

Our apartment buildings and one-family houses register heat losses several times higher than those in the Western countries. For detailed information see the publication 6.

S. Bienias in his article 4 stated: "In order to meet all our heating demands, we will have to burn 63 million tons of fuel next year, but as much as 82 million tons in 1985, because construction growth stimulates a twofold fuel-use increase every 10-12 years. This corresponds to 94 million tons of coal in 1980 and 121 million tons of coal in 1985. Considering the low level of insulation in most buildings, the fuel savings as a result of a greater use of insulation materials and of more thorough insulating of buildings ought to reach 40 percent. A simple calculation shows that in the last year of the coming 5-year period coal savings alone would reach some 50 million tons, which is equivalent to the output of 10 average-size coal mines."

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[1] The general energy situation in the country and problems related to the energy-intensiveness of construction processes and to the directions of activities the result of which ought to contribute to a reduction in energy consumption have been comprehensively discussed, among others, in a series of articles published in PRZEGLAD BUDOWLANY, No 6, 1980 (Editor's note).

The optimistic prognosis of Bienias in regard to saving 50 million tons of coal a year through thermal insulation is unfortunately a very distant vision for this simple reason that the under-invested thermal-insulation-materials industry covers only 20 percent of present demand. This situation could be improved by imports of insulation materials, paid for by the saved coal, as is correctly postulated by Kopecki in his report.

We are concluding this discussion of energy-intensiveness problems with a final quote from Kopecki's report: "...without a rational solution of energy-intensiveness in the construction industry, the energy balance of our nation cannot be completed."

Transportation--Building materials constitute the biggest share in the national transportation system (nearly 65 percent of the total load). According to the OBET /Research Center for Transportation Economics/ prognosis, in the next 5-year period this share is expected to increase to nearly 70 percent. According to B. Zukowski 5,[2] the size of the construction-material loads utilized by the construction and building-materials industry is presently estimated at nearly 2 billion tons, with 93 percent of it handled by truck transportation. Railroad transport and inland-waterway shipping play an important role in the realization of the transportation process (approximately a 40 percent share), however, trucks--by virtue of direct servicing of construction sites--transport every ton of materials and prefab elements delivered to construction sites many times and they carry out big loads of dirt from there.

The transport-intensiveness of construction is a result of the collective interaction of many factors shaping transportation needs as well as of the efficiency factor in meeting these demands by transport itself. Below are the most essential transport-intensiveness factors:

--industrialization and material-intensiveness of individual technologies as well as coproduction connections;

--extent of earth-moving operations;

--organization of material turnover.

The transportation of soil constitutes the heaviest and largest group of loads in construction.

According to Zukowski's prognosis for transportation, the total transport load will increase from about 2,062,000,000,000 tons in 1980 to 2,882,000,000,000 tons in 1990.

This state of affairs cannot be accepted in the 1980s, because construction transport is unusually import-intensive (truck pool, fuel, tires, spare parts). It is also necessary to realize that the further growth of transport forced by transportation needs is not absolutely necessary. Random studies by Transbud have shown that the transportation taking place exceeds the needs of construction-assembly production by some 38 percent. For example, the transportation of soil from one construction site studied exceeded the earlier projected transportation estimate by as much as 137 percent.

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[2] The problems of transportation in construction and building materials industry were comprehensively presented, among others, in PRZEGLAD BUDOWLANY, No 5, 9, 10-11/80 and No 1 and 2/81 (Editor's note).

This fact coupled with the practice of using multilink movement of materials--which often includes repeated storage and transportation--has led to a situation in our country which points to a literally unbelievable multitude of transportation of construction materials and elements (e.g., by a factor of 5.3 in 1975; transportation of 900 million tons while production of construction materials and elements did not exceed 172 million ton). In the existing critical economic situation, coupled with the steadily increasing prices for crude oil, the softening of the negative effects of the transport barrier will be possible only through liquidation of unjustified transportation, an action which should be helped by total elimination of factors contributing to the intensification of transportation needs.

Prognosis

Needs--Estimating the needs of housing construction from a demographic viewpoint, H. Hajduk 7 states that it will be necessary to construct some 4.5 million apartments in the years 1981-1990. Analyzing this task from a demographic position, this figure does not appear to be inflated.

On the other hand, looking at the present production potential of the construction enterprises, it can be said that the construction industry is not ready to fulfill the task facing it, particularly if we add the projected repairs and jobs connected with the restoration of historic sites. It should be also kept in mind that both repairs and restoration are more labor-intensive than new construction.

In the 1980s there will be social conflicts resulting from insufficient area and imperfect functions of apartments constructed in the 1960s and 1970s. It will not be possible to resolve this problem by reconstruction of the existing apartments, because of the negligible flexibility of building structure in the large-plate system.

In the decade 1980-1990, a considerable part of the potential of the construction enterprises will have to be utilized in projects aiming at expanding the technical structure of the cities. It will be also necessary to take care of neglected problems in the area of environmental protection, mainly in terms of construction of sewage-treatment plants in many cities and industrial enterprises.

Another important problem for the coming 10-year period will be realization of water-engineering projects connected with the overall effort to bring order to national water economy. Increased tasks face the construction-installation branch in connection with necessary expansion of the transport and agricultural-food industry. Moreover, as early as the early 1980s it will be necessary to take care of deficiencies present in the insulation materials industry.

Technologies--These authors believe that in the coming 10-year period the construction industry will be dominated by a technology based on the use of concrete prefabs, while in housing construction it will be large-plate technology. This view is not based on the assumption that this technology is the most technically and economically justified. On the contrary, this technology, despite being saturated with heavy equipment, is not modern at all and does not deserve to be called such.

These authors believe that in the coming years energy, transport and raw materials will be the basic factors responsible for the realization of the housing construction plan.

None of these factors encourages the use of the long-time favorite large-plate technology, which is the most energy-, transport-, labor-, and material-, but above all capital-intensive among all other technologies used so far.

In this situation it can be assumed that in the beginning of the 1980s the construction of the minimally effective house-construction factories will be stopped and the saved investments will be used for the construction of factories for insulation materials whose production is necessary to meet the thermoenergy needs and potentials of this country.

It is assumed that the realities of the coming years will force the Polish construction industry to abandon the heavy large-plate construction by the late 1980s. Of course the present way of construction can be maintained--despite the technical and economic reasons against it--however, then it will be necessary to take into account that the realization of the housing construction plan, aiming at meeting the demand of the population, will not be realistic.

In the 1980s and 1990s, the construction industry will not use technologies differing much from what is currently known and used, however, their share in application will radically change. These authors believe that by the late 1980s both general and housing construction will be dominated by frame construction utilizing reinforced concrete with both monolithic and prefab applications and characterized by protective and partitioning walls.

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8609
CSO: 2600/252

SHORTCOMINGS IN TRANSPORT OPERATIONS CRITICIZED

Bucharest LUPTA CFR in Romanian 30 May 81 pp 1, 3

[Unattributed article: "Exemplary Quality in All Our Activity--the Great Duty!"]

[Text] Our transportation is showing a clear improvement in quality from year to year, in proportion to the rise in the people's consciousness and the strengthening of socialist discipline in labor. This is a natural result of the fact that the worker personnel in transportation are understanding more and more deeply the significance of the idea of quality in our branch, in its whole complexity: the goods must reach the destination on time and in the best condition, in all respects.

Perhaps more than in other branches, the quality of transportation constitutes the main condition for good economic and social activity. If the goods do not reach the destination on time, the enterprises can have difficulties in production, the supplying of the population can have problems. If transportation is done poorly, the economy also suffers. Due to the specific character of the work in our branch, a single person who forgets quality can ruin the joint efforts of hundreds or even thousands of railroad workers, drivers, dockworkers or sailors. Just a little negligence, for example, can spoil thousands of tons of goods and cause big material losses--not to mention the possibility of the loss of human life.

It is true that in comparison with the first quarter of last year the total delays for freight trains have fallen by 821,521 minutes. But it is just as true that. nevertheless, in this quarter, in which, as we indicated, fewer delays have occurred, the goods have been 2,840,301 minutes late in reaching the stations where they were expected. This is a direct result of infractions or negligence by those who do not yet understand sufficiently the significance of the idea of quality in transportation.

In 1980, the railroad paid out nearly 5 million lei in damages for goods ruined in transit. In all, last year, the railroad paid out 15 million lei in damages caused by various shortcomings in domestic traffic that reduced the quality of the goods transported. This is a loss for all of us, but the figure in itself does not express completely the losses suffered by our national economy, which was no longer able to utilize these goods at the level of the provisions.

In the first quarter of this year, sums of money for damage to goods caused by violent collisions in shunting and other negligence were charged to personnel at the Arad, Timisoara, Caransebes and other stations. Certainly, one who is guilty of not performing the official duties for which he receives pay must bear the consequences. However, it is no comfort to anyone that those at fault have brought less money to their families. Instead, we all have to suffer for the harm caused to public property. And such examples of indifference by some for the quality of the activity can also be given from the automotive sector.

Our transportation makes a big contribution to the achievement of trade exchanges with other countries. The greater and greater prestige that products of Romanian make are getting on the international market is causing international freight traffic to grow continually. And with good reason, we can say that the great majority of the working people in our branch are fully aware of the great responsibility that devolves upon them along the line of exportation and do their duty creditably. But in this field too, there are still some who do not follow the conscious general alignment and do harm in one way or another. For various reasons, all referring to our railroads, large sums of money are still paid out for delays in transportation.

Nor are other sectors of our transportation free of such serious drawbacks. Thus, the journey of a truck from Giurgiu to Teheran in international traffic should take 8 days. And yet, the 22-B-6224 and 35-B-963 trucks belonging to the Bucharest ITA /Automotive Transportation Enterprise/ took no less than 20 and 16 days, respectively. We will not go into an analysis of the causes that led to this lateness--technical defects (perhaps as a result of an insufficiently strict technical inspection)--but the fact remains: the transportation was too slow. Likewise, the 23-B-4877 truck from the same enterprise was loaded in Brasov with merchandise for exportation on 12 November 1980 and left the country only on 20 November 1980.

In sea transportation too, we have such cases: the ship "Panciu" is still in the Constanta Port to take on soda for exportation, although it was supposed to raise anchor back on 10 May. The cause of the delay with which it will reach the customer is that railroad cars with the respective merchandise have not arrived at the port. Following the trail of the events, we will perhaps find that the respective RCN /expansion unknown/ or regional unit did not provide enough railroad cars for the load and so on. However, it is a certainty that the transportation will not reach the destination on the agreed date. In addition, shortcomings in quality also appear in domestic river transportation, illustrated by the 287 penalties applied to sailors in 1980, including 143 with cancellation of the work contract, which demonstrates the seriousness of the infractions committed. Certainly, a sailor found on board in a state of inebriation or one who is not present at his post on the departure of the ship on a voyage constitutes a clear danger to the quality of transportation.

The great current duty of the personnel in transportation, as the leadership of the party has pointed out to all the working people in our country, is that of creating a true collective opinion for high quality in the whole activity. Certainly, the work of the guidance and control bodies and the steps that are being taken on various levels have their well-known mission. But more than anything, an understanding of the significance of quality in transportation, strictness and responsibility for one's own activity and for that of the comrades alongside whom one works, can and must constitute a great force in our common struggle to perform the tasks given to us by the party.

12105
CSO: 2700/338

FACTORS TO BE CONSIDERED IN INCREASING PRODUCTION CAPACITY

Bucharest REVISTA ECONOMICA in Romanian No 27, 3 July 81, No 30, 24 July 81

[Article by H. Pincas and Z. Csik]

[No 27, 3 July 81 pp 6-7]

[Text] A major factor in rapidly increasing labor productivity is utilizing all the production facilities now available in the economy at the highest possible levels. In light of the high technical standard in terms of equipment with machines and installations in our enterprises, greater efforts to fully utilize them can ensure not only the sharp increase in labor productivity but also the rise in physical and net output, the regular reduction in materials expenditures and costs per unit of product. At the Second Congress of Working People's Councils Nicolae Ceausescu stressed: "In the main, we now have a strong technical-material base.... Therefore, under this five-year plan we shall work not so much on creating new economic units but on upgrading the technical and qualitative standard of the existing potential, by supplementing the provision of equipment in some sectors, and on utilizing the full capacity of our facilities."

With Existing potential, Greater Output

The prior five-year plan marked a significant stage in the development and modernization of the technical base in industry. The last 5 years saw the completion of more than 2260 industrial units, concurrently with the modernization and retooling of a large number of enterprises, sections and shops. More than two-thirds of the total value of the productive fixed assets in existence are less than 10 years old, and this attests the modern character of our industry.

The level of the median production facilities has shown an upward trend, being about 60% higher in 1980 versus 1975, in the context of achieving a greater load of technical equipment in the production units. The higher dynamics of production facilities in the metallurgical, machine building and chemical industries resulted, in 1980, in the growth of the input of these branches to more than 50% of all facilities for the overall socialist industry. Moreover, it must be emphasized that the input of these branches into the creation of the overall industrial output in 1980 was more than 54%. In 1980, for all the industry, 35% of the capacity increase was obtained on the basis of the higher performance of the productive fixed assets in existence at the beginning of the year and 65% as a result of starting up new units.

Greater inputs (50-55%) of the total capacity increase obtained as a result of better equipment utilization occurred in units of the Ministry of Light Industry and the Ministry of the Machine Building Industry.

As for the utilization rate for production facilities -- calculated on a uniform basis, for all industry, corresponding to an amount of time of three shifts a day -- at the level of 1980 it represents more than 85% in the Ministry of the Metallurgical Industry and the Ministry of the Machine Building Industry and more than 90% in the Ministry of the Forestry Economy and Construction Materials and the Ministry of Light Industry.

Moving to fulfillment of the 1981 plan assignments marks a new, qualitatively superior, stage in Romania's socioeconomic development. During this period, special emphasis is placed on more efficiently using the investment funds, with precedence given to modernization and retooling of the units in operation. The introduction of new units in the investment plan is contingent upon the full utilization of the production areas and production facilities in existence.

Planned for this year is an increase in the median annual facilities, versus the level for 1980, of more than 80 billion lei for all industry (+7%), centered in the metallurgical industry (+28 billion lei), machine building industry (+16 billion lei), chemical industry (+13 billion lei), food industry (+8 billion lei), light industry (+7 billion lei). It must be emphasized that the rise in median capacity based on completion of new investment projects represents more than 35 billion lei, with the greatest volume of the rise being obtained from technological and organizational improvements in existing facilities.

Special tasks are allotted in the area of upgrading the utilization of production facilities, all the more so because the 7% increase in capacity level must ensure an 8% rise in the industrial marketable output versus the level for 1980. Hence, it is planned that this year the rate of utilization of production facilities will reach, on the average per industry, 90.2%, as compared with 86.8% in 1980, with greater tasks allotted the Ministry of the Chemical Industry, for ensuring the rise in the utilization rate from 83% to 90.3%, the Ministry of Mines, Petroleum and Geology, from 84.4% to 90.1%, the Ministry of Metallurgical Industry, from 86.6% to 89.4%.

The only 1% increase in the rate of utilization of production facilities can result in obtaining -- in 1981 -- an additional output valued at more than 10 billion lei.

The increase in the rate of utilization of the industrial production potential is substantiated by corresponding provisions on improving the indices of extensive and intensive utilization of the chief technical installations and outfits and the metalworking machine-tools. For instance, the 1981 plan provides for indices of utilization of the available work time amount which are superior to the levels in 1980 for bucket wheel excavators in lignite pits (from 58.8 to 75%), continuous steel smelting plants (from 64.6 to 80%), tube rolling plants (from 65.7 to 86%), molding and casting lines (from 84.5 to 91%), man-made yarn and fiber plants (from 93.7 to 99%). Moreover, the aim also is to attain in 1981 a median index of utilization of the available work time amount for machine-tools of 86.6% versus 84.7% in 1980.

The plan also specifies levels for the indices of intensive utilization, respectively the specific productions (hourly) per unit of volume, surface or another feature which is characteristic of the capacity involved, for the major machines and installations in the areas of the mining, metallurgical, chemical, building materials, and light industries.

Touching Upon Planned Parameters

One of the major factors that impede the rise in the rate of loading production facilities involves delays in touching upon the planned parameters for some of the new units put into operation. The surveys conducted indicated that in the units where the management bodies of industrial centrals and enterprises were concerned with complying with the schedules in terms of attaining the planned parameters the results were not slow in coming. Such is the case of the foundry for cast iron parts at the Calan "Victoria" Enterprise, the facilities for the new products of organic synthesis for pharmaceuticals at the Bucharest Drug Enterprise, the furniture factory at the Iasi Woodworking Enterprise, the sections for glass drawing at the Scaeni and Medias glass enterprises, and others, facilities which attained on schedule the stage indicators specified for the first quarter of this year.

We must point out, however, that at the end of the first quarter of this year a large number of important industrial facilities, whose indicators had been approved by decrees or decisions of the Council of Ministers, still had not attained their parameters (the plant for briquetting lignite with binding agents at the Capeni Mining Enterprise, expansion and redevelopment of the "Ceahlaul" Mechanical Enterprise in Piatra Neamt, the cement plant at the Hoghiz Combine for Binding Agents, the sugar factories at the enterprises for sugar beet industrialization at Corabia and Roman, and so forth). Besides these facilities which have failed to attain the planned parameters for a longer time, there also are some enterprises which, although still within the periods specified in the charts, have not attained the indicators prescribed for the stage of the first quarter of 1981.

The measures taken starting the end of last year by ministries and industrial centrals resulted in a smaller number of facilities whose approved parameters have not been attained as specified in the charts. But further efforts must be made to eliminate the major factors that cause nonattainment of the indicators planned on schedule and which mainly involve: failure to ensure the pattern and quality of the raw materials specified in the tecnical documentations, frequent changes in the product makeup of the output resulting from the requests of some users, faulty operation of some facilities of domestic or foreign make, and so on. It is evident that failure to turn out the outputs related to the new facilities on schedule results in disruption of materials balances, nonfulfillment of the economic contracts concluded with units at home and partners abroad, creation of gaps in the production of other enterprises, and so forth.

Overhaul, Repairs on Schedule

Another factor that affects the full utilization of production facilities involves accidental stoppages of machines and installations caused by mechanical and electric faults. Failure to perform timely and quality overhaul and capital repairs has significantly reduced the production potential of fixed assets in a number of areas and a major contributing factor involved shortcomings in operation and maintenance of the equipment, deficiencies in supplies of spare parts, and so on.

The 1981 plan itemizes the machines and installations that involve necessary capital repairs in accordance with the standards of operation and maintenance, with sepcification of the month when the repairs begin, the period of idling of the equipment involved in the repairs, the value of the procedures and the executant. Moreover, provisions are made for the modernization projects to be completed as part of the capital overhaul, for the purpose of upgrading the technical-economic parameters, efficiency and performance, reducing the consumption rates in terms of energy, raw materials and basic materials, and increasing automation of processes, with all these improvements being reflected in greater production capacity and efficiency of output. The plan specifies -- in addition to the tasks pertaining to capital repairs -- major overhaul for the main machines and installations. In the overhaul plan, a significant section involves production of capital repairs and modernization for a number of machines and installations that are performed by specialized enterprises, with a breakdown of annual assignments at the various quarters and customer units.

In light of these tasks, the results for the first quarter of 1981, unfortunately, are not completely satisfactory. The total value of capital repairs performed on equipment account for only 80% of what the plan specified. While the Ministry of Electric Power and the Ministry of Forestry Economy and Construction Materials exceeded their value plan for repairs, the results at the Ministry of Agriculture and the Food Industry, the Ministry of the Machine Building Industry and the Ministry of the Chemical Industry stand at 63-74%. In the total of 296 machines and installations planned to undergo capital overhaul in the first quarter of this year, these procedures were not commenced on 37 facilities and major overhaul was postponed for 19 installations out of the 61 specified in the plan. Postponement of the date for completing capital repairs and overhaul may temporarily result in obtaining some apparent advantages, materialized in additional quantities of products, but subsequent loss of production -- when the duration and cost of repairs will be far greater -- far exceed the production surplus obtained.

For the purpose of noticeably reducing accidental stoppages and implicitly the frequent loss of production generated by these factors, it is necessary to prepare ahead of time the documentations, the practice standards, the materials and spare parts needed for the repairs procedures, exactly like for the investment projects. In the mining sector, special attention must be paid to upgrading the maintenance of large bucket-wheel excavators. If the operation time amount for these excavators had been utilized as provided for under the plan, 1980 could have seen the obtaining of an extra output of about 6 million tons of lignite, the equivalent of a crude oil import valued at 250-300 million dollars. Greater efficiency could be obtained in this branch by more broadly ensuring centralized execution of some repairs of special installations in coal mines and also the structuring of repairs and maintenance shops in mining enterprises. In the metallurgical industry broader use of repairs procedures that involve replacing subassemblies and spare parts with reconditioned components, for rolling mills, can favorably impact on reducing idling time for repairs. In the machine building industry, efficiency factors include expanding production facilities for repairs in specialized units and broadening the use of computers in planning, monitoring and sensibly using the repairs facilities. It appears that to overhaul equipment characterized by sophistication and great precision it is necessary to create groups of highly trained experts to ensure the repairs involved. As far as large-scale overhaul projects are concerned, as is the case in the chemical and metallurgical industry, conclusion of conventions between enterprises for mutual assistance with skilled workers during the period for execution of repairs can upgrade quality and cut the time needed for these procedures.

Greater safety in operation of machines and installations and reduced number and duration of accidental stoppages certainly are directly tied to constant upgrading of execution standards of repairs, increase in stocks of spare parts, based on the reconditioning involved, and formulation of regulations for adequate inspection of the procedures completed.

[No 30, 24 July 81 pp 5-6, 12]

[Text] As reported in the first section of the article published in REVISTA ECONOMICA No 27, in addition to the as rapid as possible attainment of the parameters planned for all the units put into operation, thorough structuring of the overhaul and maintenance projects for the machines and installations involved, there also are other factors that may positively affect the superior utilization of the production facilities. Among them outstanding are: ensuring the strictly necessary stocks of raw materials and supplies in the amounts and types which make possible the organization of a continuous flow of processes, conclusion with domestic and foreign partners of economic contracts that insure the marketing of all the production scheduled, good use of the available operation time of machines and installations, proper training of the work force, avoidance of excessive provision of equipment, and so on. We will examine below these factors with their positive and negative impacts on the use of production facilities.

Smooth Technical-Material Supplies

Smooth supplies for production units in terms of raw materials, supplies, fuel and spare parts are essential factors for full and efficient utilization of the capacity of machines and installations. In 1980 the production obtained could have been greater by more than 10 billion lei in the Ministry of Agriculture and the Food Industry, by about 8 billion, in the Ministry of the Chemical Industry, by 4 billion lei, each, in the Ministry of the Machine Building Industry and the Ministry of the Light Industry if supplies would have unfolded in tune with the plan provisions and the economic contracts concluded. Failure to ensure the material resources on time, in adequate quantities and at the proper qualitative level negatively impacted the production level specifically for: nitrogen fertilizer, acrylic fiber, sunflower oil, rolled products and steel pipes, ball-bearings, automation items, knits, and so forth.

Although the ministries, industrial centrals and enterprises are making efforts to ensure the material base needed for completing the production assignments, some difficulties in provision of raw materials, supplies, components and subassemblies have continued to occur this year. For instance, uneven flows in supplies for machine building enterprises were the chief factors in the failure to turn out, in the first 5 months of this year, a large volume of equipment and failure to deliver about 23,000 tons machinery to investment projects, backlogs, in terms of production charts, for trucks, freight cars, electric motors, television sets, and so on. In this context, it is very important for the units under the Ministry of the Metallurgical industry to comply with the current deliveries of metallurgical items, specifically those meant for the enterprises streamlined for the production of equipment, automotive and railroad transportation facilities, electrical engineering and electronics equipment, and tubular material needed by the drilling sector — crude oil and gas extraction. Moreover, efficient measures must be taken by the proper organs in the Ministry of the Machine Building Industry and industrial centrals to rigidly abide by the provisions in the cooperative programs between enterprises and dovetail these programs with the specific needs of production during each period, for the purpose of assisting the enterprises in ensuring the appropriate base of raw materials and supplies.

We point out tires among the chemical items where delays in production and delivery generate difficulties in the normal flow of production and full use of facilities in the customer units. For this group of products this year saw a delivery shortage of almost 20% versus the planned level, specifically impacting customer units under the Ministry of the Machine Building Industry, the Ministry of Transportation and Telecommunications and the Ministry of Agriculture and the Food Industry. Special emphasis to equilibrate the tire balance ought to be placed on the projects for swiftly completing the new tire facility at Zalau, which is far behind schedule. Moreover, backlogs versus production charts for ethylene, chiefly caused by operation below normal capacity of the two pyrolysis units at Pitesti, resulted in failure to turn out a large output of polyvinyl chloride at the Rimnicu Vilcea Combine.

In the woodworking sector we must point out that nonproduction of furniture outputs standsat tens of millions lei monthly, as a result of failure to ensure, at the required level and at a smooth rate, some basic materials even from this sector, such as: lumber, chipboard, veneer and also some materials from enterprises under the ministries of the chemical industry, light industry and metallurgical industry. Among these materials we point out rapid drying ground coats, mat varnishes and thinners from Timisoara "Azur" and Bucharest "Policolor," cloth for furniture from the Bucharest and Gheorghieni enterprises, Buzau mirrors, aluminum shapes from the Slatina Enterprise, abrasives from Cluj "Carbochim," and so forth.

These few examples are far from exhausting the issues related to ensuring the material base of production. We only attempted to highlight the significance of and need for constant concerns, at all the organizational levels, for smooth and adequate supplies -- decisive factors in full utilization of the production capacity and as a result regular achievement, month by month, of the planned physical output.

Use of Operation Time Amount

As stressed in the latest party documents, the measures taken to upgrade the work standards for 1981 are aimed at encouraging the activity of most efficiently using the human and material resources of our economy and attaining the greatest possible labor productivity. In this context, the best possible utilization of the available operation time amount of machines and installations is an important resource of efficient use of production facilities, of appreciable rise in labor productivity.

When surveying the stock of machine-tools in the machine building industry we note that for some groups -- specifically those involving almost 900 process lines -- the indices for utilization of the available operation time amount exceed 90% (at the level of the first quarter of 1981). For instance, the time amount was fully used in the last quarter at the Resita Machine Building Enterprise, Craiova Tractor and Farm Machinery Enterprise, Rimnicu Vilcea Enterprise for Chemical Equipment and Forges, Drobeta Turnu-Severin Railroad Car Enterprise, Tirgoviste Lathe Enterprise, Tirgu Mures "Metalochimica" Enterprise, and other units. Indisputably, this goes to the credit of the collectives of working people in these enterprises that, by rigidly implementing the programs outlined, succeeded in attaining the highest indices of utilization of the units' equipment, obtaining a maximal utilization of the available time.

The overall results could have been better if some enterprises had made greater efforts to capitalize on the production potential of machine tools. In these enterprises, the rate of utilization of the time amount was under 80%, as for instance: Brasov "Hidromecanica (66.9%), the mechanical enterprises at Cimpina (67.3%) and Alba-Iulia (73.5%), Bals Axle and Bogie Enterprise (77.4%), and so forth. As a result of scant concern for ensuring the required work force in terms of size and skills, of frequent stoppages, specifically for repairs following accidents, and of unscheduled shifts, there still is a high rate of unused available operation time of machine tools and consequently the utilization indices were low (during the first quarter of 1981, about 20% of the enterprises where the utilization of the available time amount is surveyed attained indices below 80%).

In order to increase the rate of utilization of the available operation time amount of machine tools it is necessary to update in every quarter -- and even in shorter periods -- the procedures pertaining to loading these facilities for the purpose of determining the availabilities in terms of capacity, the bottlenecks, and, on this basis, the cooperation with the other enterprises, endorsement of technologies, transfers of facilities made available. Moreover, skilled personnel, covering the three shifts, must be provided with priority for high efficiency machines and for low efficiency machines in terms of capacity.

Crucial Role of Work Force

The issues related to the work force, in terms of number and training level, are among the factors that directly impact on the use of the technical production potential. To emphasize the importance of this matter we consider it sufficient to indicate that at the Ministry of the Machine Building Industry, the Ministry of the Chemical Industry and the Ministry of the Light Industry the production obtained last year could have been 1 to 9 billion lei higher if the effects of the manpower shortage would not have made themselves felt.

Considering the fact that in light of this five-year plan, the work force in industry will grow significantly, concurrently with the rise in labor productivity, it is necessary to take adequate measures to recruit and train all the required labor force, specifically the skilled workers, in compliance with the changes that have occurred in the structure and development of industrial branches. Moreover, it is necessary to upgrade the training of the work force, in close relationship to the diversified needs, to the requirements of technological progress, more vigorously tying the educational process to production activity.

For the purpose of ensuring the required number of cadres in industry, specifically skilled workers, special programs that focus on concrete steps are being implemented. Prominent among the projects envisioned are organizational measures for simultaneous operation of several machines by one worker. The creation of a uniform context for the activity of simultaneous operation (polyservice) of machines and installations must proceed in light of the functional characteristics of the provision with equipment and the structure of production. Outstanding results in polyservice of machines and installations were obtained by the collectives of workers at the Pitesti Automobile Enterprise where polyservice involves toothers, cutters, automatic lathes, and other machines, the Craiova Tractor and Farm Machinery Enterprise, the Bucharest "23 August" Enterprise, and so forth. In units under the Ministry of the Light Industry determining the service areas and the number of machines and installations is based on regulations worked out in industrial centrals, in light of factors that include the type of machine, the chief features of the raw materials and of the finished product.

The ministries and industrial centrals must further effectively promote the program for polyservice of machinery, as one of the major factors of ensuring the work force at the planned levels, creating the adequate technical and organizational conditions. Furthermore, measures ought to be taken to select the work force, for the purpose of upgrading their skills, so that they may operate several different machines.

By and large, the analyses of the impacting factors of production capacity take into consideration the major causes which generate the loading of the production fixed assets, which, moreover, we have examined in this article. But we maintain that these analyses should not overlook the so-called minor causes, which ordinarily -- in all records and reports -- are included and listed in a global section titled "other causes." To highlight the factors of analysis and decision-making in enterprises, we might indicate that in 1980 the output obtained, for instance, in the units of the Ministry of the Metallurgical Industry, could have been by more than 23.2 billion lei higher, the Ministry of the Chemical Industry, by about 1.6 billion lei, and the Ministry of the Light Industry, by almost 1 billion lei, if the so-called "other causes" would have been eliminated.

But what actually are these so-called "other causes," which -- as could be seen -- are by no means negligible? Most of them stem from faulty organization of production and work. Prominent are the problems of indiscipline (leaves of absence or tardiness, unscheduled vacations, and so on). If we analyze the structure of the unused time for the first quarter of 1981, the leaves, vacations without pay and absences without leave account for a relatively great proportion of the total unused time. These shortcomings must be analyzed and measures must be taken, specifically in the units of the Ministry of Mines, Petroleum and Geology, the Ministry of the Machine Building Industry and the Ministry of Agriculture and the Food Industry where the production stoppages produced by these causes account for great proportions of the unused time.

A final problem which we would like to discuss is that involving Romanian-made or imported machines and installations which become available during the production process. The changes in the structure of production, the upgrading of production processes, the reshaping of some sections and enterprises in some cases result in making available some machines and installations or even sophisticated plant. There also are cases (unfortunately, not few) when some imported or domestic-made machines lie idle for a long while before their entering the production flow, and sometimes become available even before assembly. Holding such facilities without using them or with using them on a very small scale involves great loss to the economy. By the end of the first quarter of 1981 in industrial enterprises of the Ministry of the Metallurgical Industry there were unused machines and installations valued at about 215 million lei, at the Ministry of the Machine Building Industry, 210 million lei, at the Ministry of the Chemical Industry, the Ministry of Forestry Economy and Construction Materials, and the Ministry of the Light Industry, about 150 million lei.

Because specialized facilities, mainly in the nonferrous metallurgical, chemical, and textile industries, make up the greatest proportion, the industrial centrals and enterprises must see to it that they are reassigned and put into operation within the framework of the industries that hold them. For the other facilities, such as machine-tools, reassignment could involve transfer, through the ministry, to the units that need this kind of equipment. Proper use could be ensured for worn-down machines and installations that are available by making use of the components and sub-assemblies recovered.

These are a few suggestions that, if taken into consideration, could help to increase production capacity and thus obtain a significant rise in output.

11710
CSO: 2700

MEASURES TO IMPROVE WORK SAFETY RECORD IN TRANSPORT SECTOR

Bucharest LUPTA CFR in Romanian 13 Jun 81 p 2

/Unattributed article: "An Analysis of the Activity of Labor Protection"/

/Text/ Concern for man, a supreme objective of the policy of our party and state, is also illustrated by the constant concern for continual improvement in working conditions.

In our ministry as a whole, 762.8 million lei were spent on activities connected with labor protection in the last 5-year period. The number of work accidents, in all categories, and their frequency have fallen from year to year as a result of the extensive actions of development and modernization of transportation and telecommunications, the large expenditures requested for labor protection and the constant concern on the part of the collective leadership bodies.

Nevertheless, it should be stressed that in the field of labor protection, as in that of traffic safety, we can feel that we have a satisfactory situation only when the work is done everywhere without even the slightest deviation from instructions and the technical rules for labor safety. A number of work accidents occurring during this year too in railroad, ship, industrial-automotive-transportation, construction, postal and telecommunication units, resulting in the loss of the ability to work and even human victims, demonstrate that we still have much to do in this field, that labor protection is not regarded everywhere as an essential factor in organizing and conducting the production process, that there is still much formalism in the control and guidance activity, in the supervision of the workplaces, in the briefing given to the people. The analysis of the activity in the field of labor protection also brought out the fact that, although there are good programs of measures in this regard, the implementation of them has not been pursued attentively and responsibly everywhere, that at the level of some units and even centrals the analyses have been superficial, without getting to the root of the causes and without action being taken in consequence. The cases are not few when the labor-protection departments are staffed with unsuitable personnel or are burdened, contrary to the legal provisions, with other duties than the specific ones of labor protection.

The level of equipping of transportation and telecommunications and their level of professional staffing, attested also by, among other things, the many engineering personnel that we have, constitute sure guarantees that in all our units it is possible to work without the slightest deviation from the technical rules for labor safety. Judging this matter, the conclusions in the analysis undertaken by the management council of the ministry established a number of additional measures meant to provide flawless work from this viewpoint too in transportation and telecommunications.

On the basis of this decision, in the immediately following period, a detailed and responsible action of self-examination will be undertaken in all the transportation and telecommunication units, in order to find the shortcomings and deficiencies, the potential sources of work accidents, there being established suitable measures with dates of execution and responsibilities. The findings and measures established will be recorded in a written document, signed and retained by the head of the respective unit. This document will serve as a reference point for the authorities of the higher echelons coming for guidance and control, there being introduced the obligation for the management personnel in the ministry, departments, general directorates and centrals that, in the trips made to outside units, labor protection is to constitute a distinct objective of the guidance and control work.

During these actions, the establishment of all the work needed for giving the final authorizations for operating the units that do not have this document will be undertaken, there also being made a check of the degree to which the units that have it still meet the conditions required by the technical rules for labor safety.

Stricter compliance with the methodology for dealing with work accidents is necessary. Many such incidents, for example, have had as a cause the consumption of alcoholic beverages by the accident victims. It must be well specified that such a situation cannot constitute for the head of the respective production process an exoneration but, on the contrary, an aggravating circumstance for tolerating such serious infractions of labor discipline in transportation and telecommunications.

The concern for labor protection does not constitute a campaign but, as the country's laws also say, it must represent a permanent action of great responsibility for all leaders on all levels, for the collective leadership bodies, for the trade-union bodies and organizations, which must keep track of how the legislation in force is followed and applied. Let full attention thus be devoted to the practical briefing and the supervision of its application, to the detailed checking of the workplaces, to the technical propaganda, to the continual improvement of working conditions, to all aspects connected with providing complete labor safety.

12105
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PRESENT STATUS, PROBLEMS, NEEDS OF RAILROADS

Belgrade ZELEZNICE in Serbo-Croatian No 6, Jun 81 pp 71-79

[Article by Stanko Hodak: "The Yugoslav Railroads 'Today and Tomorrow'"]

[Excerpt] There are now eight rail transport organizations associated within the Community of Yugoslav Railroads, four of them organized as work organizations, and four as complex organizations of associated labor. The principles of the internal organization of these organizations differ (some are organized on a geographic basis and others on a functional basis), which is not without significance when joint tasks are being carried out, and it also has a bearing on efficiency and harmony in the functioning of the entire system.

Physical Plant and Equipment

The facilities of the Yugoslav Railroads are typically outdated from a technical standpoint, worn out (about 60 percent), and inadequate for offering a complete line of quality transport services and for the railroads to have a larger share of the transportation market.

The reasons for this situation lie in the very restricted opportunities the railroads have for development and modernization of their facilities.

Because they lack financial resources and because the issue of credit financing of the production of domestic equipment within the country has not been resolved, railroad transport organizations have been purchasing rolling stock by importing it from other countries and from various manufacturers. Since there have been no objective criteria for construction of various facilities, basic transportation facilities in particular, development has been very unsynchronized from region to region, and has depended mostly on the availability of financial resources. This has contributed to adoption of differing technologies, which to a certain extent has contributed to technical and technological disunity, with all the adverse consequences for the optimality and effectiveness of the railroads as a unified and complex system.

Infrastructural facilities constitute about 70 percent of total fixed capital on the Yugoslav Railroads, rolling stock about 18 percent, and other fixed assets 12 percent.

Infrastructural Facilities

The length of built road is 9,381 km, on about 27 percent of which the maximum permissible speed is under 60 km/hr, on 37 percent it is between 60 and 80 km/hr, on about 25 percent it is between 80 and 100 km/hr, and only on about 11 percent of the railroad lines is it between 100 and 120 km/hr.

The situation with respect to the allowed axle load varies greatly from region to region and is still unfavorable; about 53 percent of the road has been equipped for 20-ton axle load, and on 32 percent the allowed pressure is 16 tons per axle or less.

This condition of the road limits optimum use of up-to-date traction and makes it difficult for the Yugoslav Railroads to be part of the European transportation system. Efficient use of equipment, speed, the traffic capacity of lines and the economic efficiency of shipment, as well as traffic safety, are also adversely affected by the uneven technical parameters of the road, such as: numerous sharp curves with improper superelevation, the condition of the roadbed, the high degree of depreciation and wear of the material of the track (about 50 percent), while a considerable portion of the road has not been safeguarded against natural disasters which occasionally threaten rail transportation and result in its interruption.

The slow process of electrification of the road is not affording the railroads the place they should have on the transportation market from the standpoint of fuel consumption and optimality in transportation. So far about 34 percent of the entire railroad network has been electrified, and it handles about 55 percent of the total traffic, while diesel traction is used primarily on the rest of the network, though in some places there are even steam locomotives.

The railroads' carrying capability, and also the opportunities for faster and more efficient performance of transportation services, especially on certain routes with high density (Jesenice--Djevdjelija, Zagreb--Rijeka, etc.) are limited by the small percentage of double-track road, which amounts to only about 9.4 percent of total road length. That is why bottlenecks occur, especially on the main lines, which handle about 70 percent of the total volume of traffic. The level of utilization of sections of the main line between Jesenice and Skopje ranges from 87 to 93 percent, and it is 93 percent in a portion of the double-track road Ljubljana--Zalog--Zidani Most (the level of tolerance, according to regulations in effect on the Yugoslav Railroads, is up to 85 percent on a single-track road and 90 percent on a double-track road, beyond which it is regarded as a bottleneck).

Border stations on international routes, such as Subotica, Sezana, Jesenice, are factors limiting traffic capacity of certain lines, as are certain stations in seaports: Koper, Rijeka, Kardeljevo and Bar, whose inadequate capacities often put restrictions on the flow of traffic.

The inadequate number and poor technical condition of loading and unloading tracks and platforms, sidings, the lack of approach roads, and especially the inadequate and outdated freight-handling machinery stand in the way of up-to-date handling of freight and adversely affect the pace of development of integrated transportation and optimum use of rolling stock.

Not enough safety-signal and telecommunication installations have been built; they have direct importance for traffic safety and regularity as well as for the transport capability of stations and lines. Of the total 1,217 stations 569, or 47 percent, have modern safety-signal equipment, while on main lines their share is only about 38 percent.

Development of the remote traffic control system is very slow, since it exists on only about 7 percent of the railroad network of the Yugoslav Railroads (Vrpolje--Sarajevo--Kardeljevo--Jesenice--Ljubljana, Belgrade--Lapovo), and there has been a considerable lag in installation of automatic braking devices, which exist on only about 400 locomotives and on about 3,000 km of road.

The system of conventional communications on the network of the Yugoslav Railroads is more favorable, since it makes it possible for information related to the functioning of the railroad system to be transmitted under regular and emergency operating conditions.

However, development of the system of radio-locomotive dispatching communications on main lines, between operational centers, and development of the ultra-short-wave network for urgent interventions, has been very slow, which is impeding the work of the operational centers and other entities when unusual conditions occur.

Rolling Stock

The Yugoslav Railroads have achieved their greatest progress in modernizing traction. The Yugoslav Railroads have 1,444 locomotives: 428 electric, 757 diesel and 259 steam. In addition, the Yugoslav Railroads possess 409 electric- and diesel-motor trains and railcars for carrying passengers, with a total installed power of 2,617,215 kw.

Electric traction has a share of 54 percent in total operations on the network of the Yugoslav Railroads, diesel traction 39 percent and steam traction 7 percent.

Though the distribution of traction by and large meets the present needs of transportation and the degree of modernization that has been achieved, equipment is not uniformly distributed, so that in certain regions a shortage is felt, which is especially pronounced in the Novi Sad, Pristina and Titograd railroad transport organizations.

The problem of a shortage of capacity is severe and is impeding the normal and optimum conduct of traffic both because traction sectors are very short and also because certain railroad transport organizations have closed themselves off.

The high percentage of idleness of traction, which averages 20-28 percent on the network of the Yugoslav Railroads, and even as high as 40 percent for certain series of locomotives and in certain areas, is a particular problem in providing traction for trains.

This high percentage of idleness of equipment is the consequence of its inadequate maintenance because workshops, depots and repair personnel are not sufficiently equipped and competent, because of the constant shortage of spare parts and assemblies, because of poor division of labor in performing maintenance tasks, because relations have not been regulated between repair personnel and the railroad, and because of the insufficient number of experts at all levels who concern themselves exclusively with maintenance. To this we should add the shortage of financial resources, which tends to prolong maintenance and thereby aggravates more and more the problems of rolling stock on the Yugoslav Railroads.

The Yugoslav Railroads are experiencing the greatest lag in development of passenger facilities, passenger cars above all. Of the total number of passenger cars (2,146 cars and 409 motor trains and railcars with 201,519 seats), about 16 percent are under 10 years of age, 63 percent between 10 and 20 years, and 21 percent over 20 years of age. The age pattern is especially unfavorable for railcars, which are about 80 percent amortized and technically completely outdated; it is inevitable that they be cut up for scrap in the coming 5-year period.

Of the total number of passenger cars 53 percent are capable of speeds under 100 km/hr, and at the same time they do not offer even comfortable travel, which is one of the reasons why passengers are leaving the railroad. The shortage of up-to-date passenger cars, as well as the poor maintenance and cleaning of the existing cars, is a particular problem in performance of obligations in international transportation, and as a consequence cars and entire trains of the Yugoslav Railroads are being excluded from international traffic more and more frequently, and foreign passengers are avoiding use of cars of the Yugoslav Railroads because the quality of services is so low.

Since there are not enough passenger cars, they are used intensively, and as a consequence their maintenance is irregular and the percentage of cars out of service is high. On the other hand, in addition to the pronounced problem of cars out of service, the quality of passenger car maintenance is also affected by the lack of the necessary facilities to care for them and clean them, so that these problems, as well as certain subjective shortcomings within the railroad, have a direct impact on adherence to train schedules and on the quality of the transportation service.

The Yugoslav Railroads possess 47,483 freight cars. The size, distribution by types and condition of the stock of freight cars does not meet the needs of the economy, especially in periods when the demand for rail shipment is high. There is a particular shortage of certain types of cars for special purposes, such as special cars for carrying liquids, bulk materials and gases, certain types of closed cars, refrigerator cars, hopper cars equipped for automatic unloading and cars used in combined transportation.

The situation is also unsatisfactory with respect to the age distribution, since in spite of a certain improvement, 34 percent of the freight cars in use are still over 20 years old, and 19 percent are even more than 30 years old. That is why the problem of the number of cars out of service is very pronounced in the use of freight cars, more than 10 percent of the cars kept on inventory being out of service every day, which amounts to about 5,000 cars, though under normal conditions this figure should be about 5 percent.

Failure to regulate loading and unloading on Saturdays, Sundays and holidays is a particular problem in the use of freight cars with the consequence that cars are used contrary to their purpose on those days as storage space, which itself is a way of taking cars out of service.

Yet we should also emphasize the fact that in recent years there have been important changes in the structure of production and in the development of production capacities. The share of finished products and expensive goods is growing all the time in the total demand for transportation service. Shippers want these goods to be carried by equipment which offers the freight full mechanical, physical and chemical protection during transport. There is no question that for rail transportation this means various types of closed freight cars of moderate capacity (the actual static load of the G car ranges about 16 tons). Because of their financial situation, the Yugoslav Railroads are not developing so as to keep pace with this change on the transportation market.

In this situation the shortage of rolling stock on the Yugoslav Railroads is temporarily offset by retaining or leasing foreign cars, but this postpones settlement of the issue of manufacturing them in Yugoslavia, in spite of the considerable outflow of foreign exchange and the fact that in 1980 the domestic industry is underutilized: 58 percent of capacity for freight cars, 34 percent for passenger cars, 60 percent for electric locomotives and 31 percent for diesel locomotives, so that in part they have turned toward the production of highway vehicles.

This survey of the status of capacities on the Yugoslav Railroads indicates that the Yugoslav Railroads are not altogether fit or equipped for the present volume of traffic. It is true that they are in a phase of modernization and development, but progress is rather slow. The shortage of financial resources as well as the differing material capabilities of the various railroad transport organizations and the particular republics and provinces have had the result that the pace of modernization of certain capacities has not been fast enough, and this has diminished possibilities for full utilization of that capacity since there is not sufficient mutual complementarity.

All of this is creating great difficulties in developing technology, in establishing train schedules and in organizing transportation.

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OBLIGATORY REDUCTION OF ENERGY CONSUMPTION PREDICTED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 1-3 Aug 81 p 10

[Article by Radmila Jovanovic: "Warmer Temperatures Only Through Conservation"]

[Text] It was enough for just one large unit--turbine-generator unit No 4 at the Obrenovac Thermal Electric Power Plant--to go off line for a lengthy period of time in the middle of the summer for an appeal to be heard for conservation of electric power, for restrictive measures to be introduced or for one to be prepared for them at any moment, though electric power consumption has already reached a considerably lower level.

It may sound at first improbable, but that is not quite the case. The energy budget for this year--because of the country's restricted payments capabilities--envisages 6-percent smaller imports of crude petroleum than last year and a reduction of derivatives. Even where fuel production and purchases are altogether in line with the projected consumption, this has been achieved with an effort and on the assumption that everyone fulfills his part of the obligation promptly: providing funds for reconstruction of coal mines, for importation of spare parts and equipment for coal mining, that new facilities go on line in the electric power industry, that foreign exchange be furnished to import petroleum, that power generating units, especially the large ones, operate faultlessly and that the heavens are more than generous with rainfall.

A Surprise for Those Who Are Deaf

Even back when the country's energy budget was adopted, objections were made from various republics and provinces and from all sectors of the fuel and power industry, particularly from the petroleum industry and the electric power industry, to the effect that the projection would not be sufficient to cover the planned consumption. There were even quite a few who foresaw that the authorities would have to loosen the reins and increase imports of petroleum and residual fuel oil when the first analysis was made of progress in carrying out the energy budget in May.

As for consumption, there were many reasons for seeking imports of larger amounts of liquid fuel, but it is becoming increasingly difficult for the country to make the international payments. Contrary to expectations, the authorities have just recently insisted that the energy budget for petroleum imports be adjusted downward this year between 3.6 and 5.7 percent below the projection. In the second half of the year, when winter will be felt, there thus will be considerably less petroleum and petroleum derivatives for energy use than was envisaged, especially since considerably more was imported and consumed in the first 6 months.

The shortage of foreign exchange even for the planned importation of petroleum from the convertible market and the failure to achieve the planned production of coal, unexpected breakdowns and poor hydrological conditions in the summer months are making the energy situation difficult even now. Cautious forecasts covering the period up to the end of the year are fairly well documented.

Domestic production of crude petroleum fulfilled the plan in the first half of the year, and it is expected that that will again be the case up to the end of the year. However, less petroleum than envisaged was imported from the convertible area, which was made up for by considerably larger purchases from the bilateral-payments area. For the 6-month period more was imported than was envisaged in the energy budget. That understandably has diminished the quotas available for purchase in the second half of the year, when, it has been announced, it is expected that the planned purchases will have to be reduced because of the shortage of foreign exchange. In the first part of the year consumption of petroleum derivatives was up, especially that of residual fuel oil, which is the best sign that the recommendations on its substitution have not been implemented.

Substitution a Dead Letter

Considerably less natural gas has been produced than envisaged in the budget, nor were the planned quantities imported, so that many consumers on the eastern branch of the Yugoslav gas pipeline have still not been connected. It is estimated that natural gas consumption this year will be about 400 million cubic meters less than was envisaged, which means that some other fuel is being consumed instead.

Coal production in the first half of the year was also 15.1 percent short. The shortfall was 11 percent for bituminous and better coal, 15 percent for lignite, and 7.3 percent for brown coal, whose shortage is mainly a threat to consumption to heat public buildings and households. It is true that thermal electric power plants are not complaining about the lack of lignite even though less was mined than had been planned. After all, the reasons why production of that coal was down included not only the weather conditions last winter, but also the fact that a large number of thermal electric power plants were undergoing repairs or had broken down, so that by that very fact they were unable to take the planned quantities. Consequently, the demand for coal in thermal electric power plants and also in industry has by and large been met, though the mines have not always been delivering the right assortment. Thus the smaller production of coal has mostly affected consumption for heating public buildings and households.

Underground coal mining, which produces the quality coal, is in a considerably more difficult situation. These mines have operated at maximum capacity, and the shortfalls in production are mainly a consequence of delayed investment in reconstruction and imports of equipment and spare parts, as well as surprise occurrences of water and fire in certain mines and the lack of railroad cars for shipment. In such a situation it is illusory to hope that the miners will make up for what has been lost in spite of their diligence and efforts. And when we bear in mind that residential consumption received nearly 30 percent less quality coal in the first half of the year than foreseen by the budget, then it is easy to estimate that it will be still more difficult in the second part of the year.

The Large Role To Be Played by the Individual

As for meeting the demand for heating households and public buildings, there is a way out provided that consumers in this sector behave conscientiously enough and purchase coal of lower quality in the remaining days of summer. Kolubara alone--because of the breakdown at the Obrenovac Thermal Electric Power Plant--will have nearly 1 million tons of lignite on inventory whose use most consumers do not even think about during the summer, and they only purchase it in the wintertime, when things get tough and when the middleman charges a price three times as high.

Until recently the demand for electric power was being met normally. The summer drought, the breakdown at the Obrenovac Thermal Electric Power Plant on the 305-MW unit (which is expected back on line only in late November), and then repairs and breakdowns of certain other installations have put thermal electric power plants using residual fuel oil back on line and are urging conservation in the middle of summer. The lack of residual fuel oil, which there will be still less of in future than up to now, nevertheless is jeopardizing their future operation even in a case of the greatest need. Over the next 2 months it is expected to be dry, and the hydroplants will not generate even nearly the amount envisaged. Residential consumption--driven by the smaller supply of quality coal and heating oil--will be putting pressure on the electric power network this winter, which means that there will be a greater power shortage than was envisaged.

The answer to the question of how to get through the winter with the obvious shortage of all types of energy and low levels on storage reservoirs is still simple. What is expected of producers, carriers and suppliers of fuels is well known: that they make maximum efforts toward operation of their facilities at full capacity and that the energy reach the point of consumption as soon as possible, and it is expected of society that it provide the funds in good time to purchase equipment and speed up completion of construction of new facilities in the fuel and power industry. The kind of energy situation that prevails up to the end of the year, however, will depend largely on the role played by consumers as a whole. If even now every individual makes an effort to purchase some kind of fuel and if he conserves electric power even in small ways, then there will be some for others, that is, there will be more for everyone.

In other words, it can be warmer for everyone if everyone consumes power efficiently wherever he is (at home or at his machine).

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